

COUNCIL FOR TRADE IN SERVICES WEBINAR

LEAST-DEVELOPED COUNTRY SERVICES EXPORT PERFORMANCE AND FACILITATING IMPLEMENTATION OF PREFERENCES NOTIFIED UNDER THE LDC SERVICES WAIVER

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Thank you, Chair, Honorable Ali Djadda KAMPARD, Excellencies, and distinguished delegations of the Council for Trade in Services.

It is with great pleasure that I join you once again on the subject of LDC services and preferences provided for LDC services suppliers under the WTO LDC Services Waiver. This time in virtual mode in light of the times we have faced in the last year and half. It has now been five years since my delegation led the LDC Group in our quest to see the operationalization of the WTO LDC Services Waiver Decision, that was taken in 2011, become a reality. The waiver decision in 2011 was a turning point for LDCs in how WTO Members would begin to fulfill the mandate in the General Agreement on Trade in Services to accord special priority to LDCs.

Notwithstanding this success, the waiver decision was time bound for 15 years and by 2013 and the Ninth WTO Ministerial Conference, we had yet to see any notifications of preferences from any Member. At MC9, a decision was taken to require the LDC Group to come up with a collective request of services sectors of interest to us. Only after the presentation of such a request would we then be able to hold a High-Level Meeting in Geneva whereby WTO Members could be incentivised to provide indications of preferences they might accord to LDCs.

After intensive work and consultation in the LDC Group, we came up with the Collective request in July 2014 and the High-Level Meeting took place in February 2015. Here I would like to pause to thank the government of the United Kingdom for their support to us to get the Collective Request done and continued excellent trade advisory support to the LDC Group in Geneva to date. We also thank the Australian Government for gap support to the advisory team in the interim periods.

I attended the High-Level Meeting in Geneva, physically, and was very encouraged to hear over 20 interventions expressing indications of services sectors and modes of supply they would accord LDCs, most of them found in common in the LDC Collective Request. At the High Level Meeting, the LDC Group secured a commitment that notifications would be submitted from July 2015. Without notifications we had no predictability of preferences.

By the Nairobi Ministerial Conference that year, we arrived at about 16 notifications, with more trickling in. At Nairobi, we set out the elements in another Decision of Ministers that would guide the review in the Council for Trade in Services on the implementation of the notifications and we reset the clock of the Waiver Decision so the notifications would run for a duration of 15 years, as confirmed by the notifying Members. To date, we can applaud those 25 Members having made notifications. The LDC Group painstakingly assessed the notifications submitted and found many important and useful contributions in market access and national treatment in sectors and types of services such as ICT services including telephone answering services and back office operations, entertainment services, packaging services, washing, cleaning and dyeing services, hairdressing and other beauty services, maintenance and repair services, cargo handling and storage, data processing, building and cleaning services, investigation/security services, entertainment services, leasing services, hairdressing and other beauty services, special chefs, tour guides, midwives, nurses physiotherapists, para-medical personnel, and many others. All modes of supply were captured.

While a number of Members went beyond market access to include national treatment preferences, about four or five covered special facilities for LDC services suppliers in the form of a visa fee waiver for business persons, special work permits and an e-visa system to expedite LDC supplier entry, authorized destination status, and special contact points. Some other regulatory measures and restrictions such as residency and work permits, lack of recognition of LDC credentials or qualifications were least addressed in the notifications; burdensome procedures and onerous fees for licenses. Some observers and evaluators of the notifications claim that most of the preferences already reflect existing applied regimes, therefore the waiver of MFN does not result in real preferences for LDCs. In addition, these observers claim that LDCs have been accorded preferences already provided in the best FTAs of certain members. We note that even in the case of goods, duty-free, quota-free preferences, preference erosion is a fact of life in an increasingly liberalized trade world.

Three years ago, we registered, with the CTS, a case referred to us, involving an LDC psychotherapist residing in an LDC who was headhunted by a European firm for a position in an EU member state, and whose credentials were declared in order. But when the headhunter discovered the professional was in an LDC, the interview with the consumer was cancelled because the position required a residency permit. Now this particular supplier could not benefit from the preferences from the EU because she was an independent professional and the EU notification we came to welcome only provided the preference for psychotherapists in the contractual service suppliers category. In addition, even if the professional used a procedure through a contractual service supplier, the two EU countries had residency requirements.

We considered two solutions: 1) to overcome the obstacle of the residency requirement, which could not be helped by the preferences notified to the WTO. However, it might have been possible to find ways outside of the preference to facilitate the interview and if successful, make arrangements for the residency permit; and 2) to use the preference, perhaps the first option could occur after also if a vehicle could have been found in the LDC home country in the form of a contractual supply of the service to facilitate the benefit of the preference.

Today in a Covid 19 context, perhaps the professional could have obtained the position because no one was granting residency permits and even this type of service provided by residents or citizens were done in virtual mode. Now Chair, distinguished representatives, many LDCs to have clients abroad, do have consumers abroad seeking their services. The LDC Group thought that one way to better understand the context we are in today and to gauge progress for LDCs, is to move a little away from the questions about the quality and quantity of the preferences notified. We continue to welcome what has been provided, but also noting what has not been provided and the need to have testimonies of how our services suppliers are doing. We note the challenges we all gravely faced in the loss and threats to our lives in 2020. But we also note the impact our trade and economies experienced due to the Covid-19 pandemic. LDCs, because of our vulnerability, are more severely impacted.

Today, now at this juncture, we sought to take advantage of the opportunities brought by the need to interact in virtual mode, by sharing experiences and listening directly to LDC services suppliers on the one hand and on the other hand, consumers in any Member having notified preferences that actually uses services from LDCs. We do not expect that we will always have direct linkages can be specifically made to the fact that the preferences are there. This is also the case many times with services supplied in markets with openness bound in GATS commitments, unless a problem arises. In that case, the predictability and certainty of bindings and notifications in the WTO would help.

We thank LDC Group members, our expert advisors, the WTO Secretariat, you Chair and preference providing Members for their kind participation and contributions. We also welcome the sessions on the status of LDC services data diligently prepared by the WTO Secretariat and the government initiatives to support LDC services suppliers. Services trade data collection is a challenge for all Members. However, for LDCs it is particularly demanding. Since Nairobi we expected that more would be done to improve on the information available to monitor LDC services export and imports. Work done at WTO is leading the way to improving data accessible to us and all Members.

This meeting, this workshop, comes at a critical time for us to focus attention, in the waning days of the 2020 pandemic that reeked havoc on our peoples the world world over,

on setting the stage for MC12 and beyond, on the highest vision we can find in preparing for concrete implementation of commitments to LDCs that set the ground work for positive messages and information in the years ahead, before the expiration of the Waiver decision in 10 years. His Excellency Mr Ali Djadda KAMPARD and I will come back to this in Session 4 tomorrow. We encourage all Members to participate in Session 4 in a manner to assist us in our reflection on lessons learnt and next steps.

We must recall that Ministers agreed in Nairobi on a standing agenda item in the CTS to review the operationalization of the services waiver and implementation of notifications. A standing item also remains in the General Council on the implementation on all Ministerial decisions in favor of LDCs, including services.

We hope that this workshop will bring forward important elements to take us forward by MC12. In that regard we suggest that at the next meeting of the CTS we avail ourselves of the standing item on the agenda to include the review of the implementation of the LDC services waiver. We look forward to the engagement today to help us consider next steps.