

**Council for Trade in Services
Special Session**

MODALITIES FOR THE TREATMENT OF AUTONOMOUS LIBERALIZATION

Statement by the Chairman

1. We have come to a very advanced stage of a rather long and laborious journey. We have been discussing issues related to autonomous liberalization for almost three years, actually since the start of talks on the establishment of negotiating modalities and procedures. I believe we are close to an agreement now, thanks to everybody's involvement and commitment.

2. Liberalization of trade in services is a continuous process, that goes further and quicker than GATS negotiations, which by their very nature, are held at intervals. In the meantime, countries continue to liberalize and introduce significant domestic regulatory reforms. How to treat such autonomous liberalization once negotiations are resumed is an important question we all face. As has been repeatedly stated – and rightly so – the development of specific modalities for the treatment of autonomous liberalization in the context of the current round of services negotiations is of prime importance to WTO Members, particularly the developing ones.

3. The adoption of these modalities today would be a timely and important event. Since the submission of initial requests at the end of June, the negotiations have taken a crucial step forward. We have moved from a purely multilateral exercise to a more direct one, which relies heavily on bilateral negotiations. I don't need to elaborate on the bilateral negotiations as such, and how important they are for the final outcome and success of this round of negotiations.

4. The modalities that we are about to adopt have a number of very significant components which provide the necessary balance. All the aspects of these modalities are equally important. Nevertheless, I feel compelled to address and underline certain elements related to these modalities.

5. These modalities are an important element of the Work Programme established by all our Ministers in Doha. As such, all the principles and arrangements agreed upon by Ministers are applicable to these modalities. Therefore, as stated in paragraph 49 of the Ministerial Declaration, the negotiations – and in fact these modalities as an integral part there of – "shall be conducted with a view to ensuring benefits to all participants and to achieving an overall balance in the outcome of the negotiations."

6. Also, as stated in paragraph 50 of that Declaration, "the negotiations and the other aspects of the Work Programme shall take fully into account the principle of special and differential treatment for developing and least-developed countries".

7. In applying these modalities, therefore, Members are to be guided by these principles, and act accordingly. The enunciation of important principles, like the ones I have just evoked, will not represent much unless Members translate them into appropriate results in bilateral negotiations. In fact, the modalities do not create any legal obligations nor do they establish any automatic right to credit or recognition. After all, it is not by chance that Article XIX of the GATS, which provides us with the original negotiating mandate, carries the title of "negotiation of specific commitments". Equally important, as clearly indicated in Article IV of the GATS, "the increasing participation of

developing country Members in world trade shall be facilitated through negotiated specific commitments".

8. As you may remember, during the course of discussions on these modalities, concerns were raised by recently acceded Members in relation to their participation in this round of negotiations. However, questions were also raised by other Members regarding the appropriateness of addressing such concerns in the context of the modalities for the treatment of autonomous liberalization.

9. As I already said, both the GATS and the Doha Ministerial Declaration recognize that these negotiations shall aim at promoting the interests of all participants on a mutually advantageous basis, at ensuring benefits for all of them, and at securing an overall balance of rights and obligations.

10. It is fair to acknowledge that in several cases liberalization measures bound by recently acceded Members in their accession processes are more extensive than commitments of original Members. In fact, Members might recall that in paragraph 9 of the Doha Ministerial Declaration, Ministers noted the extensive market-access commitments already made by these countries on accession and stated that these accessions will greatly strengthen the multilateral trading system. The fact that those commitments are recent and extensive may imply, in some cases, significant effort and adjustment-related cost and, therefore, less room to undertake many more commitments at this stage.

11. Recognizing the particular situation of these Members, it is understood that the provisions I evoked earlier – particularly paragraphs 9 and 49 of the Doha Ministerial Declaration – should be taken into account in the course of the ongoing negotiations, when requests are made to recently acceded Members.

12. I would like then to propose that the Council take into account this statement and consequently adopt the text of the modalities for the treatment of autonomous liberalization measures.
