
Working Party on GATS Rules

REPORT OF THE MEETING HELD ON 7 JULY 2000

Note by the Secretariat

Corrigendum

Please note the following changes, requested by the delegation of Brazil:

Paragraph 28 should read:

"28. The representative of Brazil said that document W/25/Add.1 indicated the existence of subsidy practices in various services sectors (tourism, air and maritime transport, financial services, audiovisual); subsidies might also exist in sectors such as postal services, construction, R&D and advertising. It was possible to identify certain patterns in subsidy programmes, associated with the level of development of countries; for example, subsidies in tourism were generally granted by developing countries through tax incentives, while subsidies in the audiovisual sector seemed to be mostly granted by developed countries. Work should concentrate on subsidies that were contingent upon export performance and that had an effect on international trade in services, even though no precise information was available for the time being. Subsidies affecting competition in third markets should also be taken into account. Brazil agreed with others that work should focus on a list of topics including definitional *issues*, MFN, national treatment, likeness, mode specificity of subsidies, possible exceptions, and possible use of countervailing measures. ***However, the issues should not be considered in a strictly sequential manner, but altogether. Discussions should not be limited at their initial stage, to definitional issues, for example, the definition of subsidies, but also consider the other aspects that were mentioned.***"

Paragraph 42 should read:

"42. The representative of Brazil said that paragraph 1 of the EC paper went too far since Article XIII of the GATS only mandated Members to have multilateral negotiations on government procurement in services, but did not prejudice the result. He shared other delegations' doubts regarding the applicability of Articles III and VI to government procurement. The application of Article III:1 might be envisaged, but not III:3, which applied only if there were specific commitments. The same comments would apply to Article VI, paragraphs 1, 3, 5 and 6; moreover, any disciplines developed under GATS Article VI:4 in the WPDR could apply only to scheduled sectors. His delegation ***did not view the mandate of Article XIII as necessarily conducive*** ~~could not go along with suggestions to consider eventual~~ to market access negotiations for government procurement ~~because this would be outside the scope of the mandate of Article XIII.~~ Work on transparency should concentrate in the WGTGP."

* In English only. Please note that the changes are indicated in bold and italics.