

# WORLD TRADE ORGANIZATION

RESTRICTED

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Committee on Regional Trade Agreements

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**THE EUROPEAN COMMUNITIES-HUNGARY EUROPE AGREEMENT, SERVICES;  
THE EUROPEAN COMMUNITIES-POLAND EUROPE AGREEMENT, SERVICES;  
AND THE EUROPEAN COMMUNITIES-SLOVAK REPUBLIC  
EUROPE AGREEMENT, SERVICES**

Joint Communication from the Parties

Addendum

This document reproduces additional questions addressed to the Parties and the joint responses provided by them.

**1. The Parties indicated that one of the sectors which benefits from the full ten-year transitional period is financial services. Given that the WTO multilateral agreement was concluded after the Europe Agreements, what implications does this have on the treatment of this sector in the Europe Agreements? Does a preferential treatment exist for European financial services providers by virtue of the Europe Agreements?**

All three Agreements contain a clause (Article 58 in EC/Hungary, Article 58 in EC/Poland and Article 59 in EC/Slovak) which requires the (then future) conclusions of the Uruguay Round to be reflected in the treatment offered under the Agreements. This ensures that the treatment offered under the Agreements keeps pace with GATS and cannot be less favorable than that offered on an MFN basis.

Clearly, much discrimination in financial services was removed as a result of the recent multilateral agreement, but the Europe Agreements still provide for across-the-board national treatment between the parties, with the Community offering such treatment from the first day of entry-into-force. Therefore, preferential treatment under the Agreements is significant in that a number of restrictions on national treatment still remain under the GATS, while they have been or will be removed on a preferential basis under the Europe Agreements.

**2. Are there any other sectors which have been subject to further liberalization (autonomous, or as a result of further negotiations on a regional or multilateral basis) since the entry into force of the Europe Agreements? Has the Association Council made any recommendation for improving access in the transport sectors?**

In addition to the GATS financial services negotiations, the parties to the three Europe Agreements participated in other GATS negotiations on basic telecommunications and the movement of persons. The results of these negotiations are also subject to the afore-mentioned clause which requires treatment granted under the Agreements to be at least as favorable as that offered under the GATS on an MFN basis.

In transport, discussions are ongoing between the EC and the partner countries as to the conclusion of sectoral transport accords and the progressive adoption of Community legislation in the transport sector. Initiatives are currently being prepared with a view to entering into negotiations on the

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liberalization of international road transport for both passengers and freight. For inland waterways, agreements with Poland and the Slovak Republic have been initialled but are not yet finalised and in force. There is scope for further agreements in this sector in the future. In relation to a separate aviation agreement, negotiations are currently underway for liberalization between the parties through the full application, on a progressive basis, of Community Single Market legislation.

**3. How do the Europe Agreements deal with basic telecommunication services?**

Telecommunication services are covered under the general terms of the Agreements requiring the across-the-board provision of national treatment for establishment and operation and the progressive liberalisation of the supply of services. As previously stated and as is the case with financial services, the treatment granted by the Parties under the Agreements must be at least as favorable as that granted under the GATS on an MFN basis

**4. Please identify those sectors in which approximation will result in more restrictive practices (particularly in those sectors in which Hungary and Poland, for example, have made more liberal OECD commitments than current EC law and practice).**

Hungary, Poland and the Slovak Republic are Members of the WTO on the basis of their individual schedules of specific commitments and it is not envisaged that the level of treatment guaranteed to other WTO Members in those schedules will be changed as a result of the implementation of the Europe Agreements. Members will retain the right to the level of treatment to which they are currently entitled under those schedules and no changes will be made to them which would lead to new restrictions as a result of the Europe Agreements. Amendments in GATS commitments if any, will take place upon the formal accession of Hungary, Poland and the Slovak Republic to the European Union, not as a direct result of the three Agreements currently being examined.

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