
**Council for Trade in Services
Special Session**

**STATEMENT OF THE CHAIRMAN OF THE COUNCIL FOR
TRADE IN SERVICES TO THE GENERAL COUNCIL**

12 July 2001

1. Since the last report to the General Council, the Council for Trade in Services in Special Session held two formal meetings, on 14 to 17 May and on 9 to 12 July.
2. The report of the May meeting is contained in document S/CSS/6.
3. As for the July meeting, Ambassador Amorim of Brazil was unable to chair that meeting and, in accordance with the Rules of Procedure, I was elected by the Council for Trade in Services as interim Chairperson for the meeting.¹ I will therefore be reporting on that session.
4. With respect to the item on the assessment of trade in services, many delegations pointed to the dearth of statistical information and the methodological problems that made it difficult to have a quantitative assessment of trade in services. Several delegations stressed that the assessment should not be a purely academic exercise and that the discussion needed to be more focused and conclusive; some suggested that its objective was to determine if and to what extent developing countries had benefitted from developed countries' liberalization of their services markets, in line with the objectives of Article IV of the GATS. The Council decided to ask the Secretariat to produce a compilation of all statements and submissions tabled with respect to the assessment of trade in services.
5. Members then held a second detailed discussion of the negotiating proposals submitted to the Special Session of the Services Council and addressing the movement of natural persons, other horizontal issues (such as transparency, small and medium-sized enterprises, classification, MFN exemptions) and the following services sectors: business services, communication services, construction services and distribution services. New proposals were tabled by the delegations of New Zealand, the Mercosur countries, Colombia, Japan, Australia, Brazil, Mexico and the United States.
6. The debate was very substantive and several comments were raised with respect to different elements of the proposals; several Members had submitted their questions and answers in writing in advance of the meeting and more were encouraged to do so. The Secretariat was mandated to produce a note on the application of economic needs tests, drawing upon available information in Members' schedules and work undertaken by other inter-governmental organizations. Members also agreed that a symposium on the movement of natural persons would be held after the Fourth Ministerial Conference.
7. The negotiating proposals on education, energy, environmental, financial, recreational, tourism and transport services, will be taken up in October. It was decided that the horizontal issues

¹ Ambassador Jara of Chile was elected by the Council for Trade in Services as interim Chairperson.

under discussion would still figure on the agenda of the Special Session in October and that new proposals on sectors not up for discussion might also be presented.

8. The issue of modalities for the treatment of autonomous liberalization was addressed in a dedicated meeting of the Special Session, which was held on Thursday, 12 July. The meeting was structured around the annotated checklist of issues that had been produced by the Secretariat and which is contained in document JOB(01)/65. Members held extensive discussions of the issues raised therein; several delegations pointed to the need to make the exercise less academic and more operational. It was agreed that, to facilitate the discussion also at a political level, the Secretariat would prepare a brief paper outlining the broad views that were emerging on each of the different issues under discussion. Members will revert to this standing item in October.
