

## **COMMUNICATION FROM NORWAY**

### Preparations for the 1999 Ministerial Conference

#### Negotiations on Trade in Services

The following communication has been received from the delegation of Norway with the request that it be circulated to Members of the Council for Trade in Services.

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#### Negotiating Guidelines and Procedures

1. In most member countries the service sector plays an increasing role for economic activity and ultimately as source of income and welfare for populations. Norway therefore welcomes the opportunity to start a new round of negotiations on trade in services within the framework of the WTO. It is important that we on the global level develop further the legal instruments and national commitments in international trade in services to meet the needs of markets and governments, within the scope of sustainable development.
2. The following points pertaining to the negotiating guidelines and procedures are proposed to be covered by the ministerial mandate:
3. WTO members should aim at establishing clear negotiating guidelines and procedures at the 1999 Ministerial Conference so that negotiations can start at the very beginning of the year 2000. The mandate for negotiations on trade in services lies in GATS Article XIX. This article touches upon all the relevant issues of why (objectives), when and how to negotiate. The following points concern additions to this text that will help steer negotiations in a timely and rational manner.
4. Norway takes as a point of departure that there is agreement between all WTO members on a broad coverage, in the sense that neither any service sector nor any mode of supply will be excluded from the negotiations. Negotiations will encompass both specific commitments and MFN exemptions.
5. There is a large amount of work on rules remaining from the Uruguay Round: government procurement (Article XIII), subsidies (Article XV) and emergency safeguard measures (Article X); and disciplines on domestic regulations (Article VI). The Ministerial Decision on Trade in Services and the Environment relating to modifications to Article XIV has also not entirely been dealt with. To the extent that negotiations on these are not completed by the end of 1999, they should be finalized by negotiations in the new round.

6. Issues related to the understanding of the framework agreement should also be dealt with, with a view to giving greater clarity to the text. Some of these are substantial in nature, i.e. issues related to the scope of the agreement remain unresolved after prolonged negotiations in 1994, while problems related to the interpretation of Economic Integration (Article V) have come up during reviews of regional agreements. Other horizontal issues, such as the relationship between modes 1 and 2, are of a more technical nature, but need to be resolved before or during negotiations so that countries' commitments can be made as clear as possible.

7. The guidelines should reflect the general obligation of facilitating and increasing the participation of developing countries in trade in services and taking their development situation into account.

8. In addition to market access and national treatment commitments, members should be encouraged to take steps to implement necessary domestic regulations. The potential benefits of greater market access might otherwise be undermined. Due consideration of this will thus have to be taken in the negotiations. Although the responsibility for these matters primarily rests on the nations themselves, other countries and multilateral organizations can contribute by offering technical assistance in this process.

9. Environmental concerns should be taken into account, translating what seems to be an emerging consensus in the Committee on Trade and Environment to the effect that trade and environmental policies should be mutually supportive and legally consistent in order to promote the objective of sustainable development. To establish what environmental effect the removal of specific trade restrictions will have, environmental reviews should be conducted early in the negotiation process and/or near the end of the process, when draft agreements and draft schedules are available. Members should be encouraged to share their experiences and relevant international organizations should be invited to provide contributions, in order to take into account horizontal aspects.

10. It should be in the interest of all members to agree on flexible procedures for negotiations, building on how the WTO has organized its work on services so far. The Council for Trade in Services (CTS) and its subsidiary bodies have since the implementation of the GATS in 1995 spent little time on the functioning and implementation of the agreement compared to negotiations. We can assume that this will also be the case during the up-coming round. Consequently, there should be no need to set up a special negotiating apparatus. Notwithstanding, we should be flexible in our approach throughout the negotiations to accommodate the needs for ad hoc negotiating groups if negotiations under the CTS (and its subsidiary bodies) prove insufficient. We must also take into consideration the needs of smaller delegations and ensure that meetings be held in sequence and not in parallel.

11. The timeframe for the negotiations on trade in services will be contingent upon the timeframe for the negotiations as a whole. However, a deadline should be set during the first half of 2000 for initial requests and offers on specific commitments.

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