



« The voice of the European Service
Industries for International Trade Negotiations »

SADC WORKSHOP
TRADE IN SERVICES 1 INVESTMENT IN THE EPA
NEGOTIATIONS

Cape Town, South Africa,
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**“What Ambitions for the EPA on Services &
Investment - The European private sector’s views”**

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Importance of the Services Sector in the SADC Region

- **Angola** services: **24,6%** (2005 est.)
- **Botswana** services: **46,9%** (2006 est.)
- **Lesotho** services: **39,7%** (2007 est.)
- **Mozambique** services: **46,7%** (2007 est.)
- **Namibia** services: **58,6%** (2007 est.)
- **South Africa** services: **66,0%** (2007 est.)
- **Swaziland** services: **42,3%** (2007 est.)
- **Tanzania** services: **38,7%** (2007 est.)



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Participation of ACP countries to services negotiations
in the Uruguay Round

Development Level	Average of GATS Commitments by Services Sub Sectors
Least Developed Countries	24
Developing Countries	42
South Africa	82
Developed Countries	106

Note: Maximum possible: 162 (W/120 classification)



Specific Commitments in the U. R.

<u>Sectors</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
Max Poss.	46	26	5	5	5	4	23	4	4	5	35		162
Angola							3		1	1			5
Botswana	17	1											18
Lesotho	34	11	4	3	5	4	11		3		3	1	79
Mozambique							12						12
Namibia	1								2			1	3
South Africa	36	12	4	3		4	16		2	3			82
Swaziland	7							1	1				9
Tanzania									1				1

LDC= Least Developed Country; LLDC: Landlocked Developing Country; SIDS = Small Island Developing State

1: Business Services; 2: Communication Services; 3: Construction & Related Engineering Services; 4: Distribution Services; 5: Education Services; 6: Environmental Services; 7: Financial Services; 8: Health Services, etc.; 9: Tourism, etc.; 10: Recreational Services, etc.; 11: Transport Services; 12: Other Services



Participation of SADC countries in DDA GATS negotiations

Reminder: 14 ACP countries have tabled an initial offer =

Barbados; Dominica; Gabon; Grenada; Guyana; Fiji,
Jamaica; Kenya; Mauritius; St. Chris & Nevis; St. Lucia; St
Vincent & Grenadine; Senegal; Trinidad & Tobago

9 Caribbean Countries;

1 Pacific Region;

2 ESA Region;

0 SADC (1: S.A.)

South Africa: Initial
Offer tabled on
30/03/2006 (deadline:
March 2003) in +36 Sub
sectors (including 30
New sub sectors) (i.e.
total S.A.: 112

Reminder: Maximum possible: 162 (W/120 classification)



Interests of European Services Sectors in EPA with SADC countries (1)

- **Stronger Regional Integration :**

To improve the efficiency of services and of investments & to create economies of scale in the Region... *A larger market is a more attractive market.*

- **Investment in Infrastructure services:**

Construction, Telecommunications, Financial Services, Express courier, maritime transport, IT, Environmental Services, etc.



Interests of European Services Sectors in EPA with SADC Region's countries (2)

- SADC Region's countries should participate more actively to the services negotiations of the WTO (To table initial offers opening market access to key services sectors for the countries and giving national treatment.
- SADC Region's countries should open services negotiations with the EU in the EPA framework, with the aim to reach a « GATS + » agreement, in accordance with GATS Article 5; The impact of this would be:
 - Sending a strong signal to foreign investors (**legal security of investments**)
 - Contribution to the integration of the region in the world economy.
- To increase the cooperation with European services companies:
 - Joint-ventures, subsidiaries, branches, back offices, transfers of skills in both ways, etc.



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- Yes, good regulation is indeed a preliminary necessity,
- But the development of local players should not be a pre condition to the binding of the autonomous liberalisation, All to the contrary...
- Why not to envisage to schedule specific commitments per sectors, with a progressive implementation (**phasing out period**) which would be **linked to the effective delivery of a technical assistance** (financial aid for setting up and training) for the establishment and the implementation of the regulation and of an independent and competent regulatory authority. Missing this result would lead to the cancellation of the commitment.



Interests of European Services Sectors in EPA with SADC Region's countries (3)

What countries have agreed to do in Interim SADC EPA initialled in December 2007? (Art 67)

- “To liberalise 1 services sector (out of 12) by each of the participating countries,
- To agree on a standstill clause for all services sectors (as in Art. V.1.b (ii) of GATS,
- To agree to negotiate progressive liberalisation with substantive sectoral coverage within a period of 3 years following the conclusion of a full EPA.”

Is this really going to fulfil European service providers ambitions? Is this really a big political price to pay by the SADC countries? Is this really a difficult challenge to achieve?

SADC REGION's Services

Providers are Welcome in the EU

- The EU's Services Market is remarkably open
- World's largest market for services, valued at US\$7.8 trillion in 2004
- Population of EU 27 = 493 millions
- GDP per capita of US\$25,700
- The more the market is open, the more it attracts FDI, the more it remains competitive.
- Services providers of the region might find opportunities, notably to serve the exporters of the region.

SADC Region's Services Providers are Welcome in the EU (2)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>F. <u>Other Business Services</u> c) Management consulting services (CPC 864)</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section</p>	<p>1), 2), 3) None 4) All Member States except FIN: Unbound except as indicated in the horizontal section FIN: Unbound</p>	
<p>9. TOURISM AND TRAVEL RELATED SERVICES B. <u>Travel Agencies and Tour Operators Services</u> (including tour managers) (CPC 7471)</p>	<p>1) None 2) None 3) Belgium: Authorization for non-EC incorporated companies to act as travel agencies is possible only if the company has a permanent base in Belgium (siège d'opérations permanent) and if the person directing the daily operations P: Requirement of constitution of a commercial company having its corporate base in Portugal. 4) Unbound except as indicated in the horizontal section and subject to the following specific limitations.</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section and subject to the following specific limitations</p>	



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