



TRADE IMPACT  
FOR GOOD

50 YEARS

1964-2014



Australian Government

Department of Foreign Affairs and Trade



# LDC Services: Geneva Practitioners Seminar Series: “Making Sense of GATS and Applying Good Practices in Services Negotiations”

## Seminar 2: “Key Sectoral Issues and Domestic Regulation”

Laura Páez

WTO Building, Room B

26 February 2015



# Geneva Practitioner's Seminar Series:

## Key Sectoral Negotiating Issues and Domestic Regulation

26 February 2015

Presented by Laura Páez  
Africa Section, Research and Policy Analysis Branch  
Division for Africa, Least Developed Countries and Special Programmes  
United Nations Conference on Trade and Development



# OUTLINE

- Introduction
- Mapping African GATS Liberalization Commitments
- Africa's Financial Services Liberalization Commitments
- The LDC Waiver and what it means for LDCs
- Conclusions & Recommendations

# Mapping African GATS Liberalization Commitments

- 42 African countries have undertaken substantial liberalization commitments under the GATS. Of these 25 are LDCs
- There is a high level of variability across these commitments in terms of sectoral coverage, scope and depth
- 9 African countries are not part of the WTO and are either in the process of accession, have observer status or have yet to define whether they want to form part of the MTS

# Mapping African GATS Liberalization Commitments

	Angola	Benin	Botswana	Burkina Faso	Burundi	Cameroon	Cape Verde	Central African Rep.	Chad	Congo	Côte d'Ivoire	DRC	Djibouti	Egypt	Gabon	Gambia	Ghana	Guinea	Guinea Bissau	Kenya	Lesotho	Madagascar	Malawi	Mali	Mauritania	Mauritius	Morocco	Mozambique	Namibia	Niger	Nigeria	Rwanda	Senegal	Sierra Leone	South Africa	Swaziland	Togo	Tunisia	Uganda	Tanzania	Zambia	Zimbabwe											
Horizontal Commitments			✓		✓	✓	✓					✓		✓		✓	✓			✓	✓		✓			✓	✓																										
Sectoral Commitments																																																					
Business services		✓	✓		✓	✓	✓	✓			✓	✓	✓		✓	✓		✓			✓	✓	✓				✓		✓		✓	✓	✓	✓	✓	✓																	
Communication services			✓				✓	✓			✓	✓	✓		✓	✓				✓	✓						✓	✓			✓	✓	✓	✓	✓																		
Construction and related					✓		✓	✓			✓	✓	✓		✓	✓					✓		✓					✓			✓	✓	✓	✓	✓																		
Distribution services					✓		✓									✓					✓									✓		✓																					
Educational services							✓	✓				✓				✓					✓										✓		✓																				
Environmental services							✓	✓								✓					✓							✓			✓	✓																					
Financial services	✓	✓					✓				✓			✓	✓	✓				✓	✓						✓	✓	✓		✓	✓	✓	✓	✓																		
Health related and social services					✓										✓	✓					✓	✓					✓	✓		✓	✓	✓	✓	✓	✓	✓																	
Tourism & travel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Recreational, cultural & sporting	✓						✓	✓			✓	✓	✓			✓														✓	✓	✓	✓	✓	✓	✓	✓																
Transport services		✓					✓				✓			✓	✓	✓	✓	✓		✓	✓						✓	✓		✓	✓	✓	✓	✓	✓	✓																	
Other services not included elsewhere															✓					✓	✓																																
MFN exemptions																																																					
Cross Sectoral							✓							✓																																							
Business services																																																					
Communication services							✓							✓																																							
Construction and related														✓																																							
Distribution services																																																					
Educational services																																																					
Environmental services																																																					
Financial services											✓			✓													✓																										
Health related and social services																																																					
Tourism & travel														✓																																							
Recreational, cultural & sporting																																																					
Transport services	✓	✓				✓				✓	✓			✓	✓	✓	✓	✓		✓	✓				✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Other services not included elsewhere																																																					

# Africa's Financial Services Liberalization in the GATS

- Financial Services belongs among the top committed services categories in African schedules. A total of 20 countries have made commitments for this sector
- As with other GATS commitments, there is a high level of variability in terms of sectoral coverage, scope and depth
- Most commitments, however, focus on restrictions pertaining to mode 3 and mode 4
- Few countries with commitments in this sector have MFN exemptions that sufficiently reflect regional integration and prudential regulation priorities



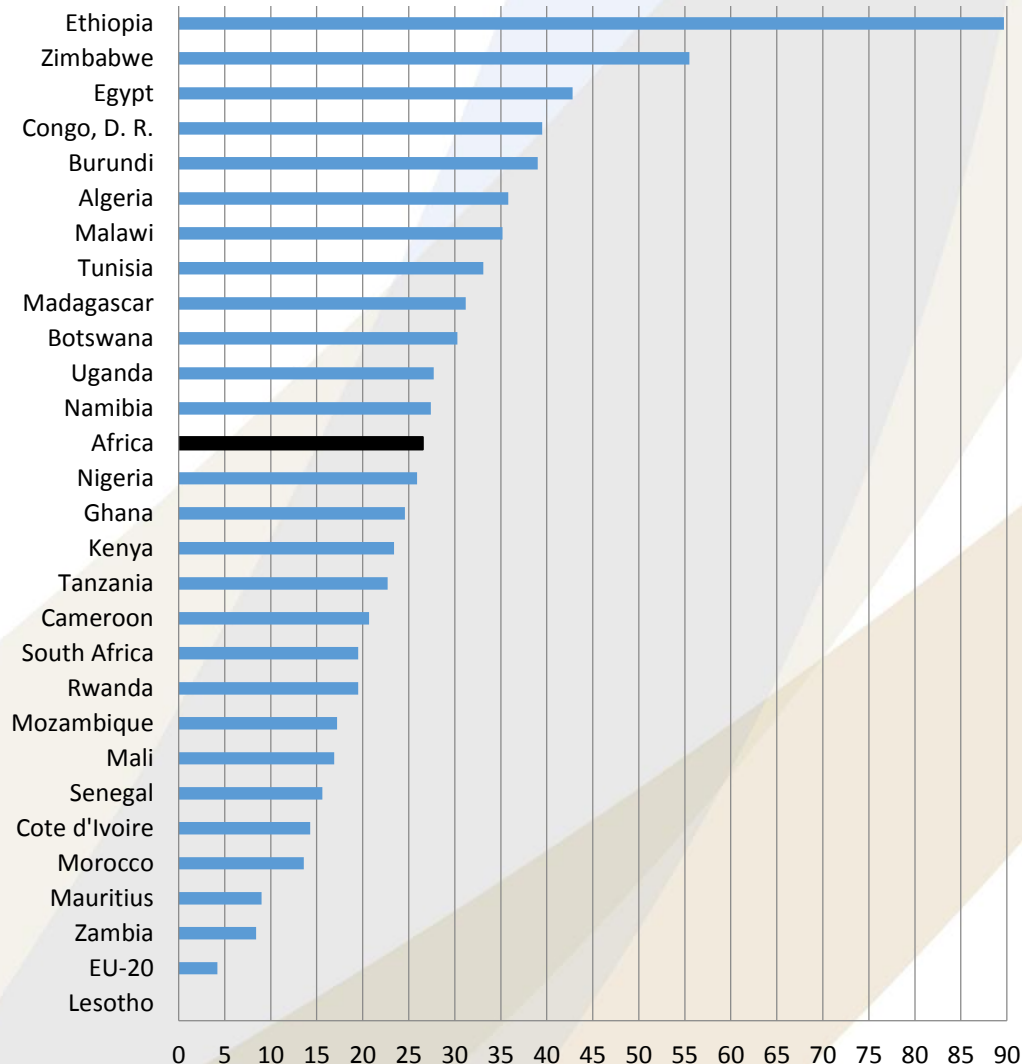
# Africa's Financial Services Liberalization in the GATS

Country	Admission/ authorization/ licensing or notification requirements	Limitations on form/ amount or control of FDI	Limitations to participating in M&As/ Privatization	Limitations on the lease/ purchase of real estate	Limitations on subsidies/ tax write-offs/ transfers/ preferential treatment	Establishmen t approval/ registration or residency requirements	Qualification/ skills or employment requirements	Limitations on the category/ function of employees	Limitations on the duration of stay <sup>1</sup>	Economic needs/ social benefit or labour market tests
Angola					MA 3)					MA 3)
Benin	MA 3)	MA 3)	MA 3)			MA 4)	MA 4)	MA 4)		
Cabo Verde		MA 3)					MA 4)	MA 4)	MA 4)	
Cote d'Ivoire	MA 3)	MA 3)				MA 4)				
Egypt	MA 3), NT 3)	MA 3)					MA 4)			MA 3), NT 3)
Gabon	MA 3)						MA* 4)	MA* 4)		
Gambia	MA 3)	MA 4)				MA 3), *4)	MA* 4)			MA* 4)
Ghana	MA 3)				NT 3)	MA 4)	MA 4)	MA 4)		MA 4)
Kenya	MA 3)	MA 3)	MA 3)			MA 4)		MA 4)		
Lesotho	MA 3)	MA 3)	MA 3)				MA 4)	MA 4)	MA 4)	MA 4)
Malawi						MA * 4)	MA* 4)	MA* 4)		
Mauritius	MA 3)	MA 3)	MA 3)				MA* 4)	MA* 4)		
Morocco					MA 4)	MA 4)	MA 4)	MA 4)	MA 4)	
Mozambique						MA 4)				
Nigeria		MA 3)				MA* 4)	MA* 4)	MA* 4)		
Senegal	MA 3)	MA 3)								
Sierra Leone	NT 3)	MA 3)			MA 3)		MA* 4)	MA* 4)		MA 4)
South Africa	MA 3)	MA 3)	MA 3)		MA 3), NT 3)		MA * 4)	MA* 4)	MA* 4)	
Tunisia	MA 3), NT 3)	MA 3)	MA 3)			MA 4), NT 3)		MA 4), NT 3)		
Zimbabwe		MA 3)	MA 3)	MA 3)			MA* 4)	MA* 4)		MA* 4)



# Africa's Financial Services Liberalization in the GATS

Africa: financial services trade restrictions index (STRI) scores, 2012



Source: UNCTAD calculations based on Borchert et al. (2012)

# The LDC Waiver and What it means for African LDCs

- The LDC Waiver represents an opportunity for the LDC group, including 34 African countries to have market access for mode 4 service suppliers.
- If operationalized properly and in a timely manner, it would represent an "early harvest".
- An important number of countries have already made offers that are being discussed
- Critical to the operationalization are what standards will be used for accreditation and recognition of certificates and degrees, as well licensing requirements

## Conclusions and Recommendations

- African countries have made substantial commitments under the GATS. This not only binds the status quo and locks in future liberalization, it also constrains policy space
- In addition to negotiating more aggressively in GATS negotiations, African countries must also be more vocal about their position, table proposals for greater flexibility in the application and interpretation of rules
- The waiver represents an unparalleled opportunity for LDCs. Moving forward LDCs will need to push for clear criteria and ensure that the opportunities are widely disseminated and made accessible to mode 4 service suppliers

# Thank you!

E-mail : [laura.paez@unctad.org](mailto:laura.paez@unctad.org)  
<http://unctad.org>

