

What are the 21st Century issues for services?

Comments by Jane Drake-Brockman on the papers on the Trans Pacific Partnership

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- The countries included in the envisaged TPP agreement represent a very significant services market
 - total services exports of US\$190 billion in 2008 and total services imports of US\$194 billion
- What can inter-governmental negotiations do to grow the TPP market and deepen integration across the TPP services economy?

Government Rhetoric?

- What might an “ambitious 21st century” regional agreement look like for services? Presumably
 - it wouldn’t look like the GATS?
 - it would need to have more GATS+ features than earlier FTAs?
- The EU/Korea FTA is described as the first of the EU’s new “21st century” agreements?
 - what GATS+ outcomes does it deliver, which the EU’s earlier generation of FTAs did not?
- What might “ambitious 21st century” mean for TPP? Presumably it would need to have more GATS+ features than the NAFTA-style template
 - which was the classic 20th century “high standard” FTA agreement?

“High Standard 20th century” bilateral services governance

- Cross-Border Trade in Services
 - mfn clause
 - ratchet mechanism
 - negative lists of commitments (GATS+ outcomes on national treatment, jury out on market access)
- Temporary Movement of Personell - ?
- Facilitation of professional services MRAs - ?
- Investment
 - Broad definition
 - generous denial of benefits clause
 - negative lists of commitments
 - investor-state dispute settlement - ?
- Competition Policy
- Government procurement chapter covers services
- Intellectual Property chapter covers services

Business Reality?

- Presumably its not enough for TPP just to repeat what business has seen before
 - Because previous FTAs have not really delivered much in the way of services market access or regulatory harmony or cuts in business costs
- So what sorts of both “GATS+” & “NAFTA+” benchmarks might the TPP need to attain in order for regional business to see it as
 - commercially relevant in today’s fast globalising services economy?
 - helpful in meeting tomorrow’s business challenges?
 - genuinely building a more seamlessly integrated regional business environment

- Negative lists; minimal carve-outs
- Facilitation of people movement
- Facilitation of professional services MRAs
- Separate chapters on eg ICT, Logistics, Education ???
- chapter on (domestic and international) Regulatory coherence (transparency, impartiality, independence, efficiency, best practice, mutual recognition, stakeholder consultation)
- Competition chapter to cover operations of State Owned Enterprises?
- chapter on Standards and Interoperability facilitating cross-border transfer of information
- chapter dealing with choke points in Services Value Chains
- chapter facilitating international engagement by SMEs; and with facilitation of business model innovation through out-sourcing and on- and off-shoring?
- chapter oriented to levelling the playing field on domestic and export Subsidies in services?
- A living agreement, extendable to other parties and capable of remaining up to date in content and coverage