

STATEMENT ON COMPLEMENTARY APPROACHES AND INTENSIFICATION OF THE REQUEST/OFFER APPROACH

Joint Statement of Brunei Darussalam, Indonesia, Malaysia
The Philippines and Thailand, CTS-SS, September 29, 2005
Delivered by H.E. Mr. Manuel A.J. Teehankee, Ambassador
and Permanent Representative of the Philippines to the WTO

1. We make this statement on behalf of Brunei Darussalam, Indonesia, Malaysia, the Philippines, and Thailand.
2. Let me begin by thanking once again those who have recently tabled proposals to facilitate the discussions on possible complementary approaches.
3. According to the Negotiating Guidelines, the request and offer method should be the main method of negotiations. After considerable reflection on the papers, like many other Members, we are still not clear how this will not in effect eventually replace the bilateral request-offer or reduce the request-offer process to a mere monitoring process.
4. They are also, in our view, sometimes too straightforward and neutral, that the methodologies proposed may not adequately capture, one, the developmental dimension of flexibility for developing countries and LDCs whose services sectors are in the early stage of development; and, two, some of the issues and concerns raised by a number of delegations such as proper treatment of Mode 4, horizontal commitments and classification issues.
5. Room for policy manoeuvre is very crucial as a well-functioning, well-diversified services sector means sustained growth, especially to developing Members. This is precisely because the GATS framework does not provide for post-commitment remedies apart from resorting to Article 21 or the waiver process; and faces as a sure consequence some form of obligation to compensate which can be highly punitive to small developing countries. As a matter of fact, quite ironically, we point out here that much has been made of that same manoeuvrability and flexibility provided by the GATS to question the need for our proposed Emergency Safeguards Mechanism in the services sector.
6. Each Member has scheduled its own limitations in one sector or subsector or another. We are currently allowed by the Agreement and the Guidelines to gradually and at our own pace liberalise our markets. And this opening up usually takes place where and when it corresponds to domestic priorities.
7. We also underscore the belief that services liberalization should be accompanied by sound macro-economic management and appropriate regulation and supervision. While we fully recognize the benefits of an open market, our authorities continue to carefully consider the pace and sequencing of further

liberalization in sectors of mutual interest, together with a comprehensive review of our existing regulatory regime in order to ensure the sustained soundness of our services sectors, particularly those relating to sensitive systems like financial services and telecoms, to name a few.

8. We are concerned that these approaches may undermine such flexibility. A Member may be caught in situations where it has no choice but to undertake commitments prematurely to fulfil the targets. This may undermine the principle of progressive liberalisation.
9. On the other hand, the scoring approach could send a wrong message. It does not help increase the comparability of schedules but generalises Members' commitments into a simplified value. The scoring approach will transgress negotiations into viewing services negotiations as akin to goods negotiations where one plus one is equal to two. A fair and accurate method to translate commitments into indices is lacking and in our view non-existent. Further, none of the proposals show a reasonable method of assessing horizontal commitments, where most mode 4 commitments are scheduled.
10. It is dangerous to request for an outright agreement on the desirability of complementary approaches before the design is fully fleshed out. It is comparable to asking for a blank cheque, and is disconcerting if viewed in the context of its being possibly extended to encompass future rounds of negotiations. Mr. Chairman, the currently undefined variables X Y and Z do matter at the end of the day.
11. Having said that, we want to make a few points on the possibilities for intensifying the request and offer approach in the services negotiations.
12. We believe that there may not have been enough engagement to date between and among Members at the experts-level, particularly since many developing Members are not able to regularly send officials to Geneva for the cluster of services meetings. While written requests from trading partners provide a general sense of their sectoral priorities, these do not really allow Members a deep appreciation of trade interests of such Members, and prevents productive dialogue on how to accommodate requests for commitments while taking into consideration the developmental or economic concerns of the requested party.
13. This is one area that we consider as having great potential for the process of intensifying the request-offer approach. The *demandeurs*, many of whom have the required financial and human resources, could raise the present level of experts-to-experts dialogue and engagement, by any of the following:
 - i. Exploiting to its fullest extent e-mail and/or other electronic means of contact with experts around the world, particularly in those countries of specific trade interest to them;

- ii. Sending delegations to the capitals of requested Members, again particularly in those countries of specific trade interest to them. Alternatively, for those with enough financial resources, regional or sub-regional meetings dedicated to discussing requests and offers in the services negotiations can be organized; and,
 - iii. From our experience, we also find that many of the Embassy officials of *demandeurs* are competent enough to meet with our capital experts and engage them in serious and more focused discussions of requests.
14. We urge Members to devise methods and approaches that will result in more focused and intense discussions of some technical issues, which are usually not possible in Geneva during the cluster, not only because of the absence of appropriate experts, but also because of the limited time available for bilaterals, as well as the many other issues and concerns that compete for attention in the short two-week period. These, to our mind, are the complementary approaches that may truly be consistent with the GATS and the Negotiating Guidelines.
15. But at the end of the day, Members with strong interests in specific sectors should lead by example in the level of market access that they provide in their offers, vis-à-vis their expectations from other Members. And in the words of ASEAN Economic Ministers, which issued in Vientiane a Joint Statement yesterday on the DDA Negotiations, “we should be mindful of each other’s concerns and with the developed countries being more conscious of the needs of the developing countries.”
16. Thank you very much.

