

**Caribbean Seminar on Regulatory and Cost Issues  
Jamaica 6 July 2000**

- 
- **The GATS and their impact on the Trade of International Telecommunications Services**
  - **Impact of the Reference Paper in the National Regulatory Authority Policies**

**J.Monedero**

**GATS impact on the  
Trade of International  
Telecommunication  
Services**

**Change of  
paradigme**

**1865. Bilateral model**

**1948. GATT system**

**1986. Uruguay Round**

**1997. Multilateral model  
WTO Basic Telecom.  
agreement**

# GATS impact on the Trade of International Telecommunication Services

**GATS background**

**The GATS**

**1997 WTO agreements**

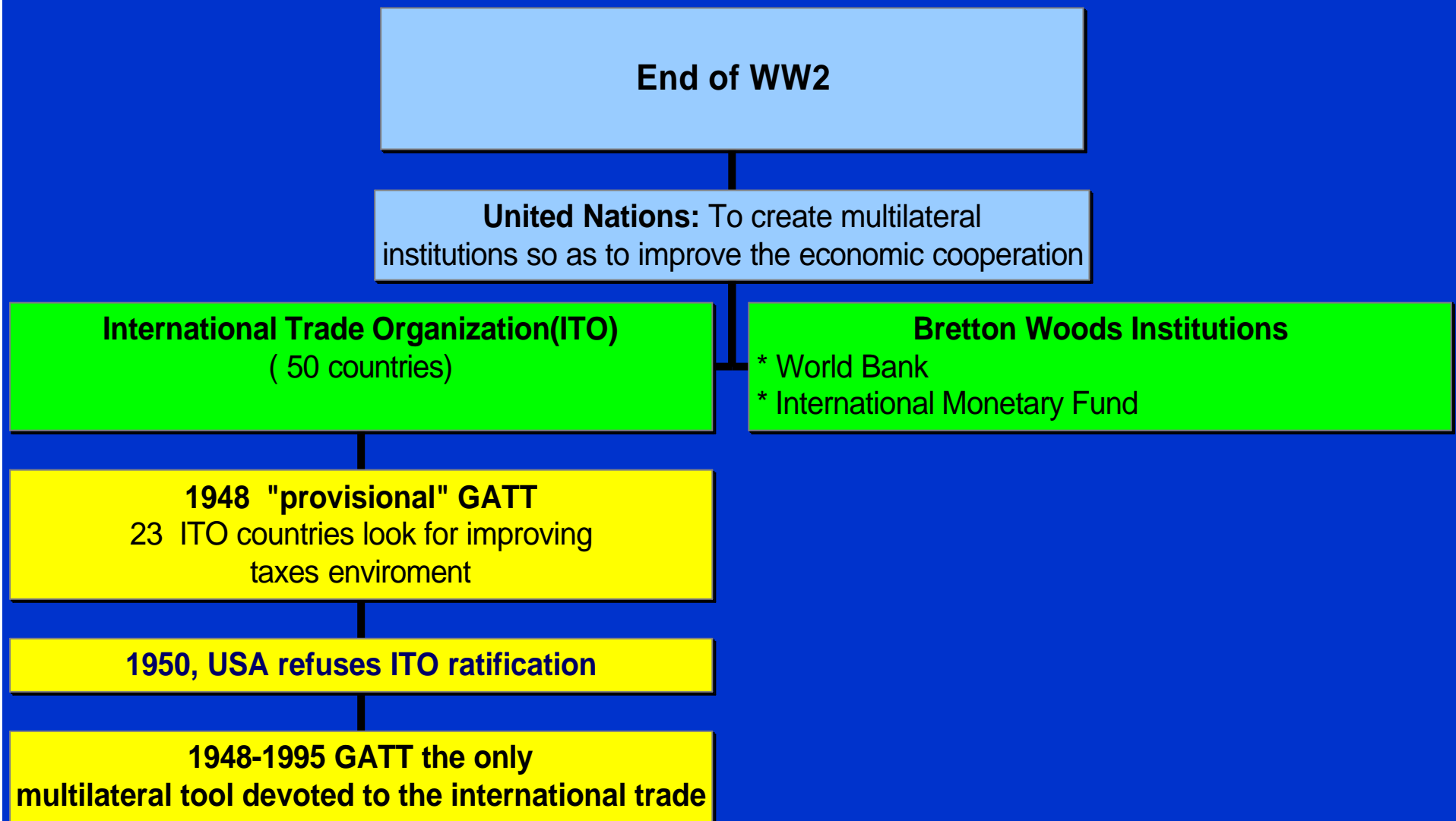
# GATS impact on the Trade of International Telecommunication Services

**GATS background**

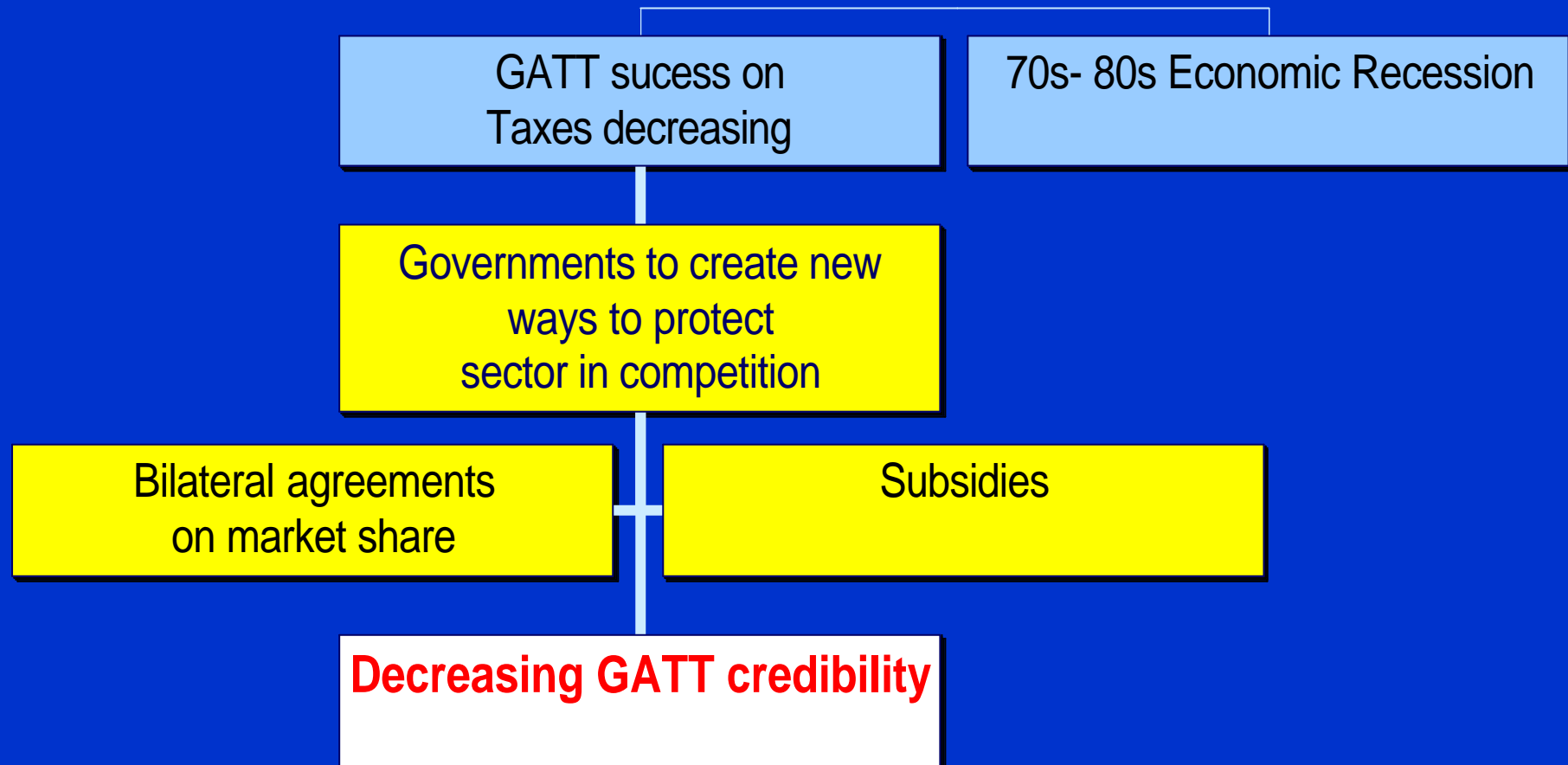
**The GATS**

**1997 WTO agreements**

# The trade multilateral system



# Decreasing GATT credibility



# GATT Rounds

<b>Date</b>	<b>Matters</b>	<b>Countries</b>
<b>1947-Ginebra</b>	<b>Taxes</b>	<b>23</b>
<b>1949 Annecy</b>	<b>Taxes</b>	<b>13</b>
<b>1951 Torquay</b>	<b>Taxes</b>	<b>38</b>
<b>1960/1 Ronda Dijon</b>	<b>Taxes</b>	<b>26</b>
<b>1964/7 Ronda Kennedy</b>	<b>Taxes Antidumping</b>	<b>62</b>
<b>1973/9 Ronda Tokio</b>	<b>Taxes and others</b>	<b>102</b>
<b>11986/93 Ronda Uruguay</b>	<b>Taxes, services ...</b>	<b>123</b>

# MARRAKESH AGREEMENT(15/4/94)

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graph TD; A[MARRAKESH AGREEMENT(15/4/94)] --> B[WTO]; A --> C[GATS]; A --> D[GATT 1994]; A --> E[WIPO];
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WTO

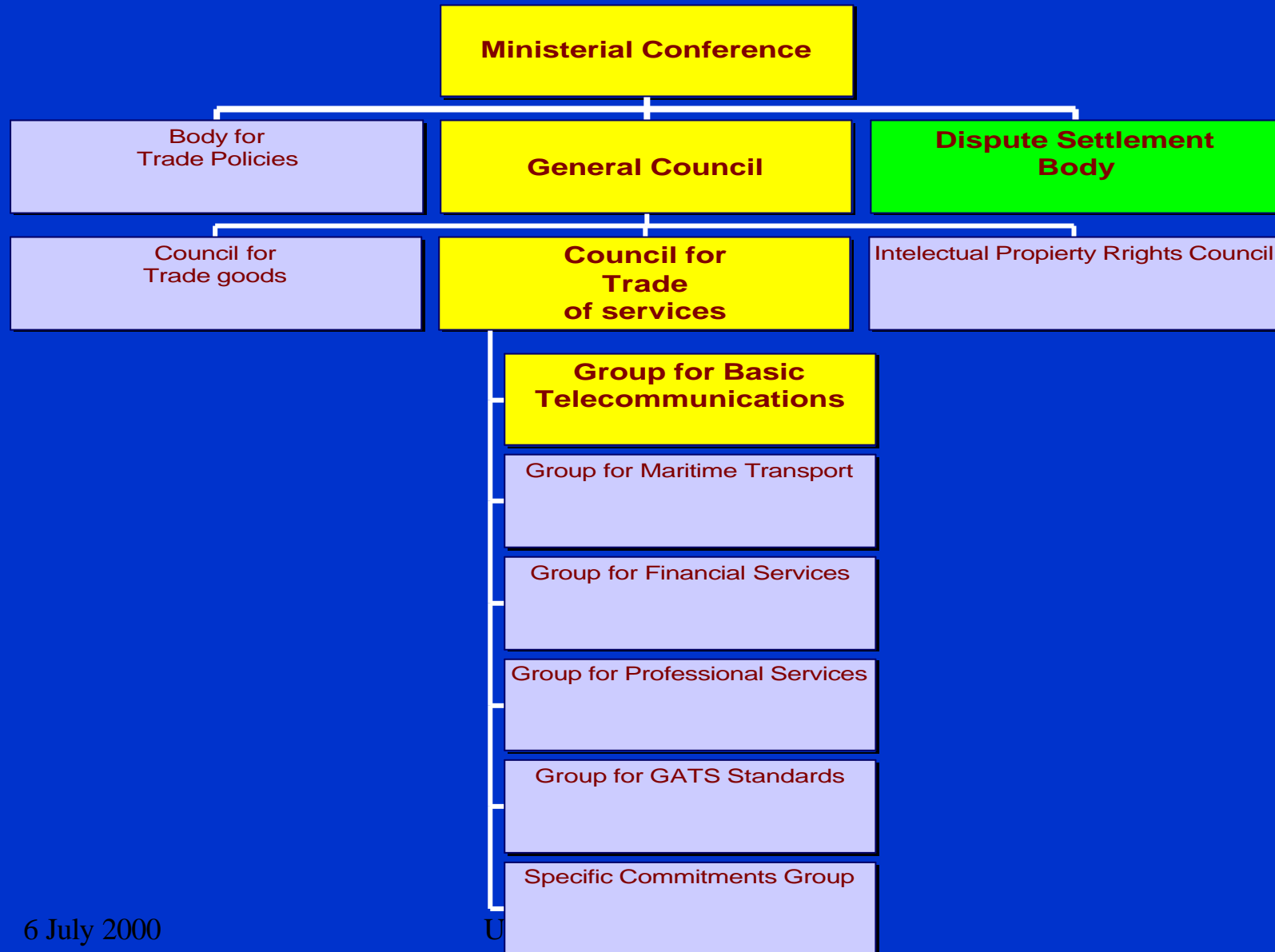
GATS

GATT 1994

WIPO



# WTO structure

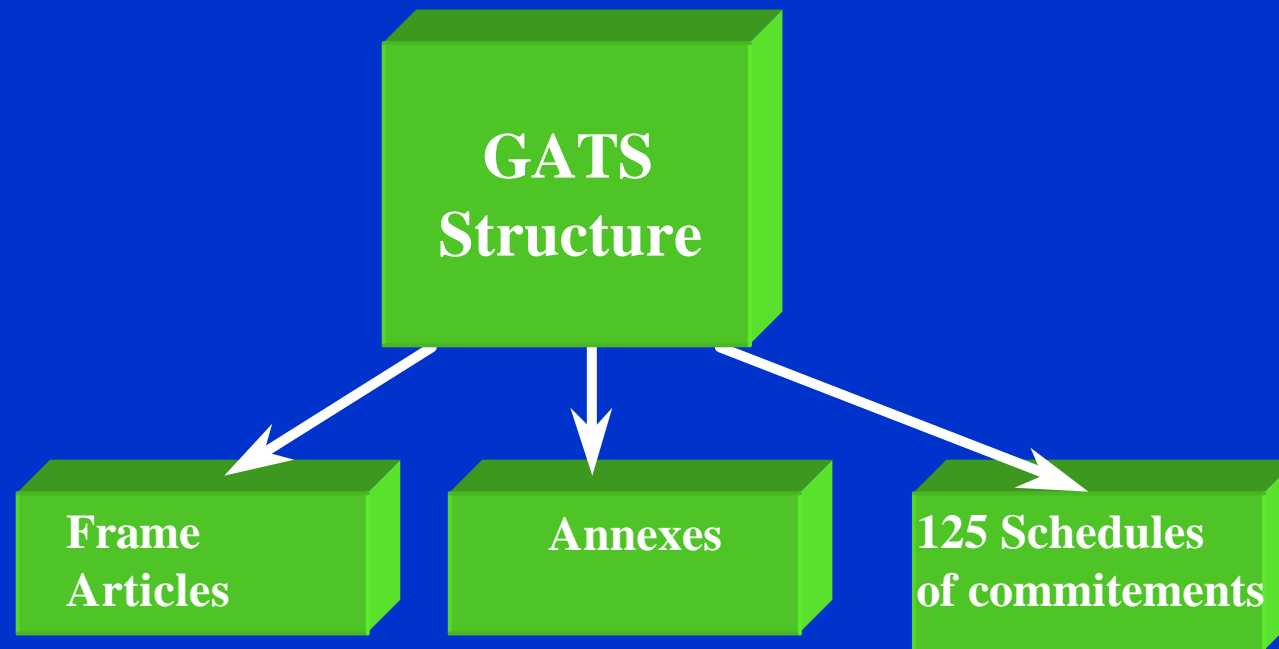


# GATS impact on the Trade of International Telecommunication Services

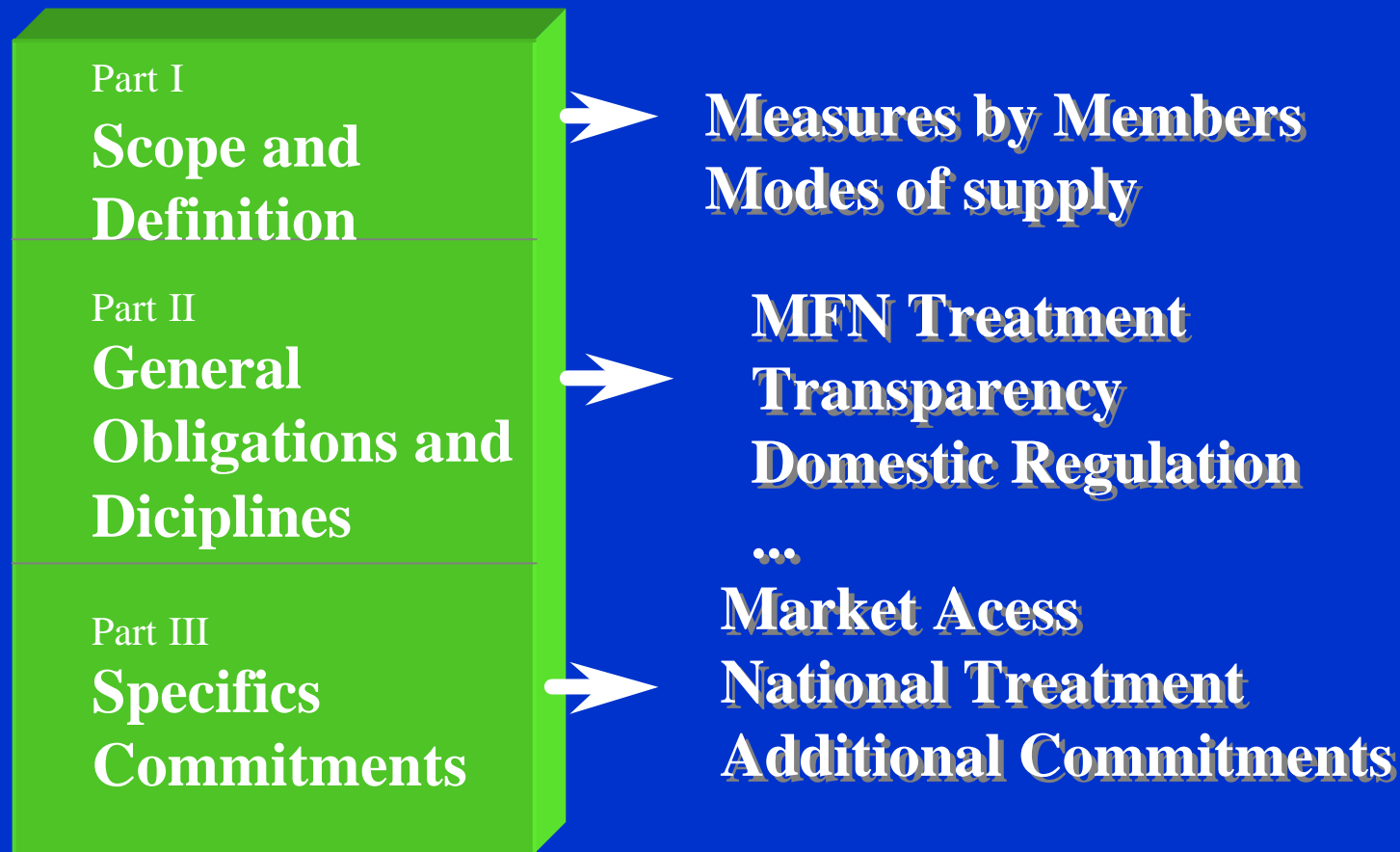
GATS background

The GATS

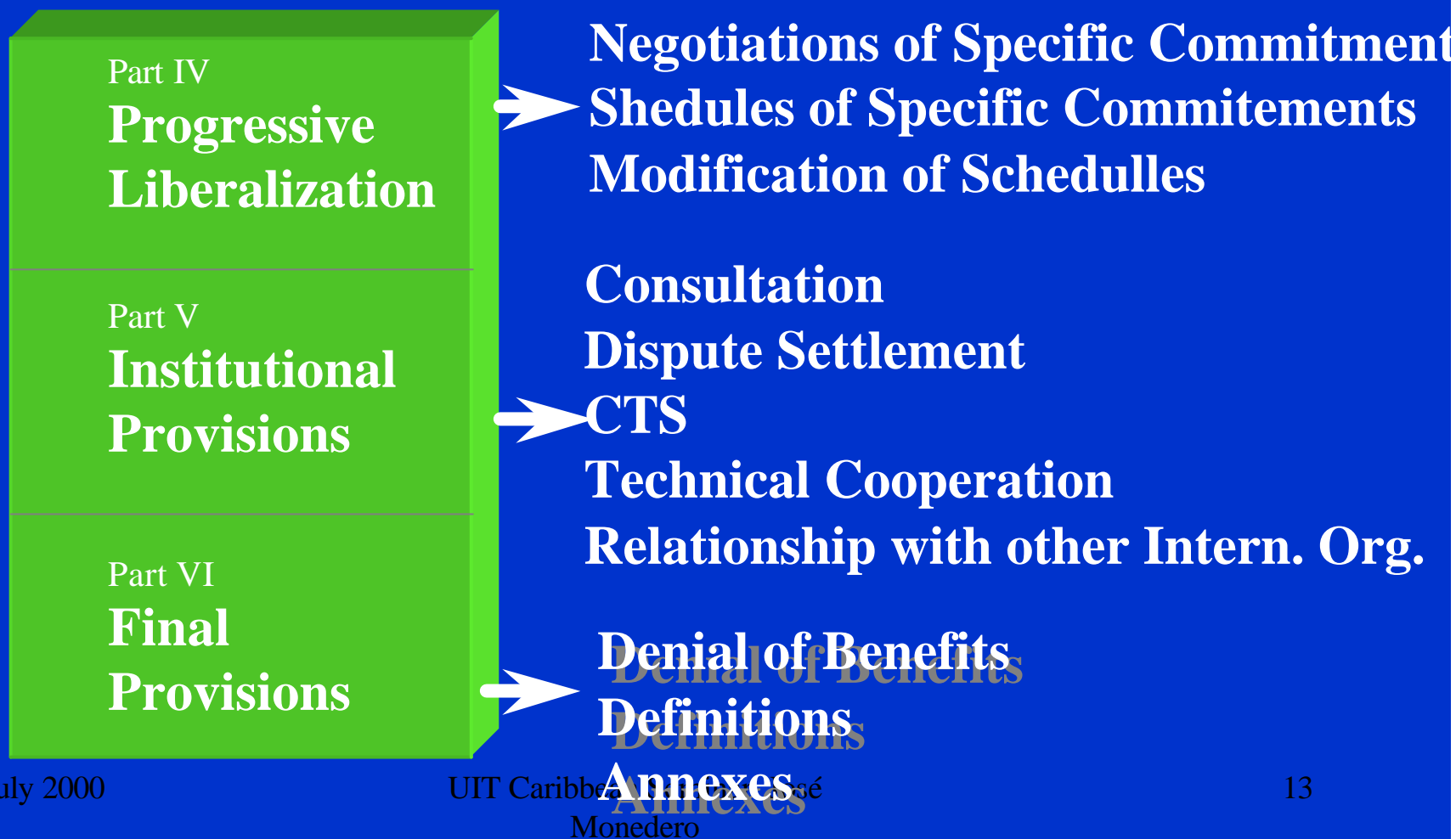
1997 WTO agreements



# GATS Framework (1)



## GATS Framework (2)



## Articles.Part I

### Scope and definition

**This Agreement applies to measures by Members affecting trade in services defined in four modes:**

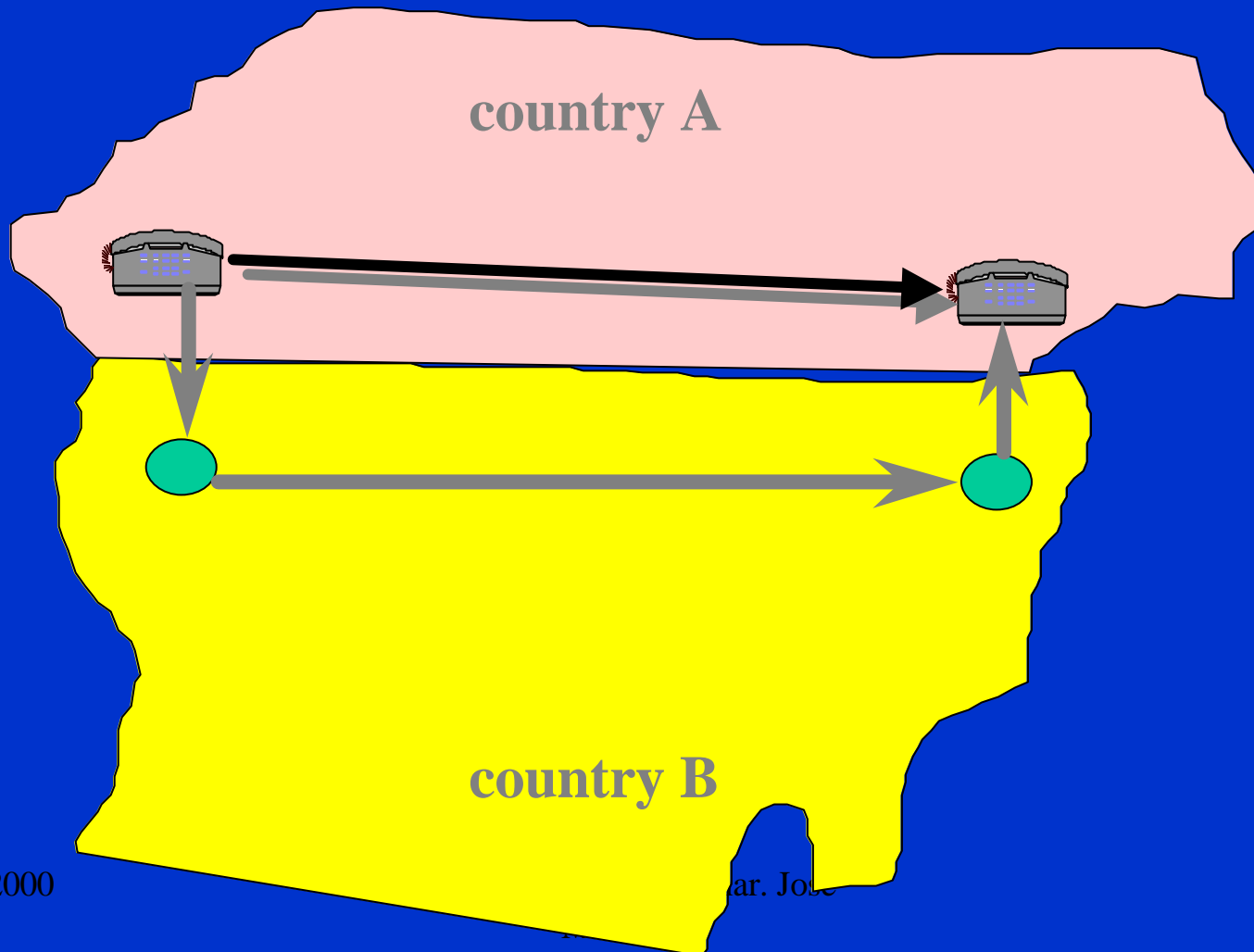
**Cross border**

**Consumption abroad**

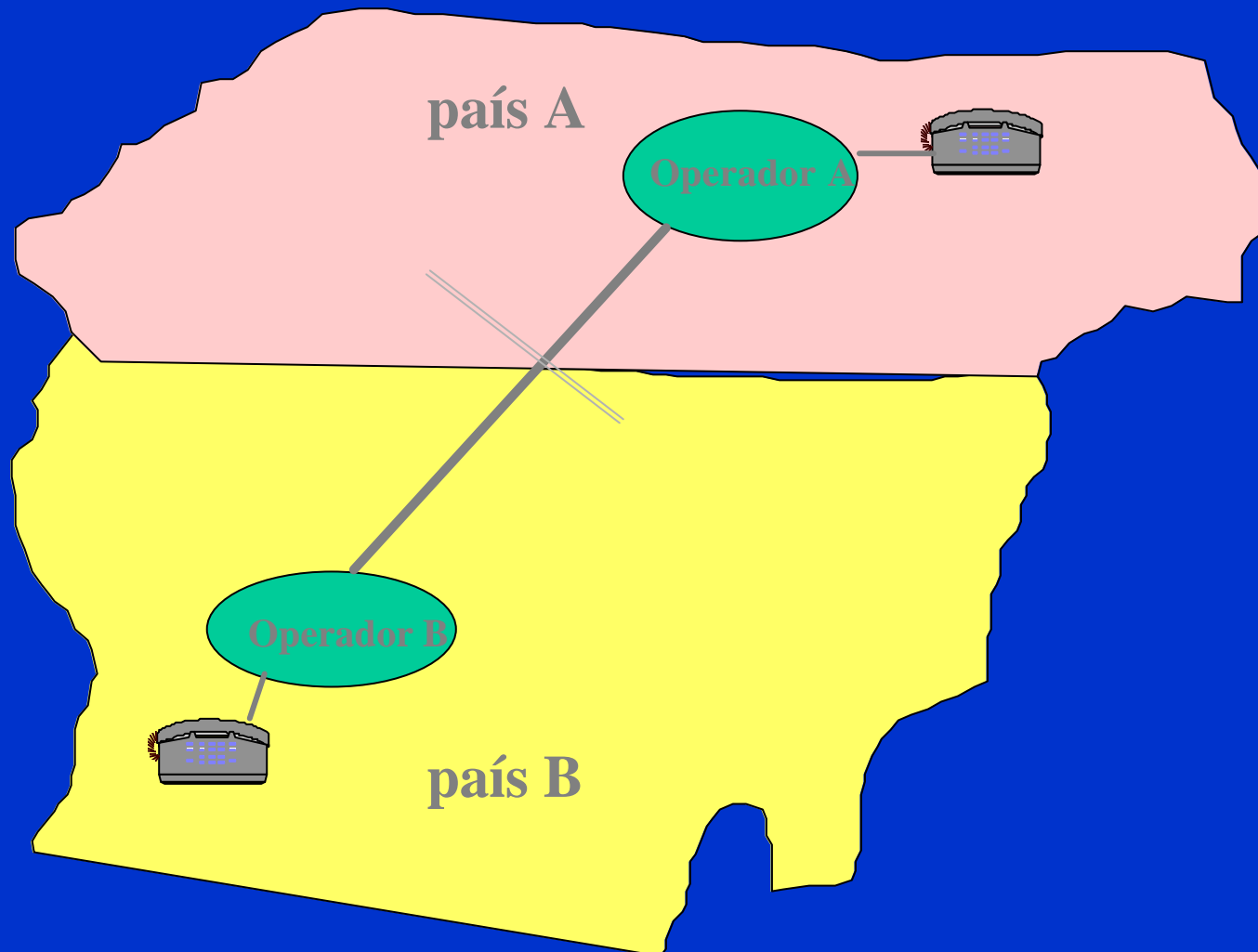
**Commercial presence**

**Presence of natural persons**

# Mode of supply 1

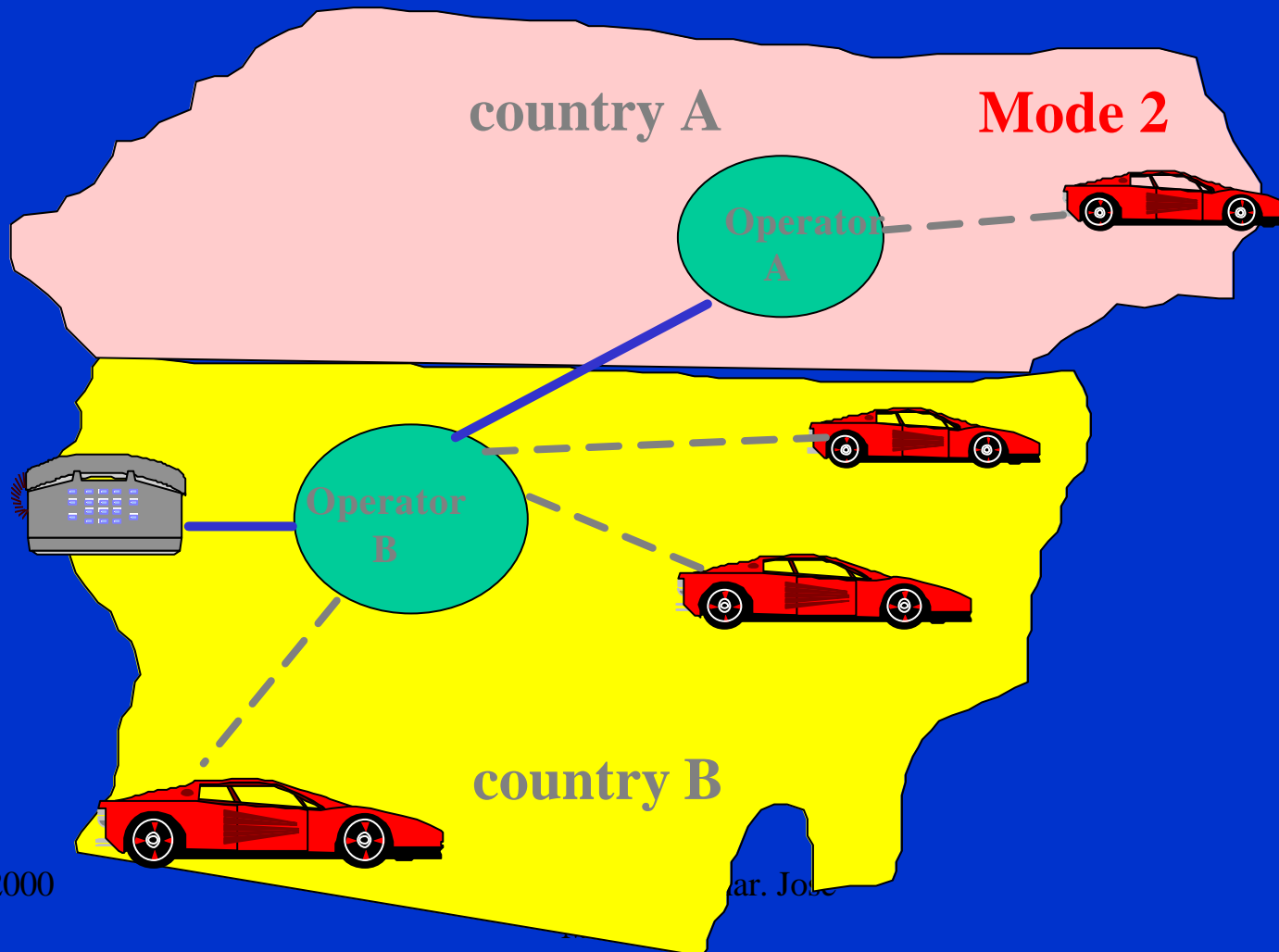


# ~~Modo de suministro 1~~





# Mode of supply 2



# Modes of supply

Presence of service Provider (SP)	Modes	Other criteria
The SP is not in territory of the Member	Mode 1 Crossborder	Service provided in other Member territory
	Mode 2 Consumption abroad	Service consumed out the territory of the Member
The SP is in the territory of the Member	Mode 3 Commercial presence	Service provided in the territory of the Member
	Mode 4 Presence of natural persons	Service provided in the territory of the Member

## Articles. Part II

### General obligations and disciplines

- **Two kind of obligations**
  - Applying generally to all services, whether or not scheduled
  - Applicable only to services in schedules
- **Excepciones**
  - Economic integration, labour markets integration, restrictions to safeguard the balance of payments, general exceptions and security exceptions

## Articles. Part II

### General obligations and disciplines

#### •Obligations

- Most-Favored-Nation Treatment (MFN)
- Transparency
- Domestic Regulation
- Reconition
- Monopolies
- Business practics
- Payments and transfers
- Access to and use of public telecommunication  
transport networks and services  
(Annex on telecommunications )

## Articles. Part II General obligations and disciplines

# Relations between the General Obligations & Scheduled Commitments

- Certain measures covered by the general obligations and disciplines of the GATS may belong in schedules and others do not
- The obligations covering measures that should not be listed in schedules cannot be compromised or evaded by entries in the schedules

## Articles. Part III

### Specific commitments

- **Market Access (art. XVI)**
- **National Treatment (art. XVII)**
- **Additional Commitments (art. XVIII)**

## **Annex Annex on Telecommunications**

- **Elaborates on and clarifies provisions for telecommunications**
- **Guarantees that any service supplier of any Member will have access to and use of public telecommunications transport networks and services on reasonable and non-discriminatory terms and conditions for the supply of any service inscribed in the Member's schedule**
- **TV , radio broadcast and cable distribution are out of the scope of the Annex**

## Schedul of specific commitments

### Horizontal vs. Sector specific commitments

#### Horizontal

applying to all sectors  
e.g. limitation on  
movement of natural  
persons;  
limitations on foreign  
investment, etc.

#### Sector Specific

applying only to  
scheduled sector or  
sub-sector



## Schedul of specific commitments

Sector of Subsector	Limitations on market access	Limitations on national treatment	Additional Commitments
<u>2. Communications services</u> <u>Telecommunications</u> <ul style="list-style-type: none"> <li>- Electronic mail</li> <li>- Voice mail</li> <li>- On-line information and data base retrieval</li> <li>- Electronic data interchange</li> <li>- Code and protocol conversion</li> </ul>	<ul style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated In the horizontal section</li> </ul>	<ul style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the horizontal section</li> </ul>	
<b>Modes of supply:</b> 1) Cross border supply                      2) Consumption abroad 3) Commercial presence                      4) Presence of natural persons			

# Schedul of specific commitments

Modes of supply:

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments

# Schedul of specific commitments

Modes of supply:

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<ul style="list-style-type: none"> <li>•Voice telephone serv</li> <li>• Data transmission</li> <li>• Telex, télégraph</li> <li>• Fax</li> <li>• Private leased circuits</li> <li>• Others                             <ul style="list-style-type: none"> <li>•Cellular</li> <li>•ISDN</li> <li>•Frame Reley</li> <li>•Paging</li> <li>•....</li> </ul> </li> </ul>			<u>Categories of services</u> <ul style="list-style-type: none"> <li>Geographics                             <ul style="list-style-type: none"> <li>•local</li> <li>•long distance</li> <li>•international</li> </ul> </li> <li>•Technology                             <ul style="list-style-type: none"> <li>•wire-based</li> <li>•radio-based</li> </ul> </li> <li>•Means of supply                             <ul style="list-style-type: none"> <li>•on a resale basis</li> <li>•facilities-based</li> </ul> </li> <li>•Types of users                             <ul style="list-style-type: none"> <li>•for public use, non public use</li> </ul> </li> </ul>

# Schedul of specific commitments

Modes of supply:

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>Limits on the number of suppliers</p> <p>Limits on the participation of foreign capital</p> <p>Limits of legal entities</p> <p>Limits on the value of assets</p> <p>Limits on tha total number of employees</p> <p>Limit to the total nunmber of operations</p>		

6 July 2

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# Schedul of specific commitments

Modes of supply:

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
		Each Member shall accord to services and service providers of any other Member treatment no lessfavourable than that it accords to its own like services and services suppliers	

## **Limitations to Market Access and to National Treatment**

Measures inconsistent with both market access  
and national treatment should be inscribed  
in market access column

# Schedul of specific commitments

Modes of supply:

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
			Commitments not subject to scheduling under market access, national treatment, or subject to art. VI, such as those related to qualifications, standars, licencing

# GATS impact on the Trade of International Telecommunication Services

GATS background

The GATS

1997 WTO agreements



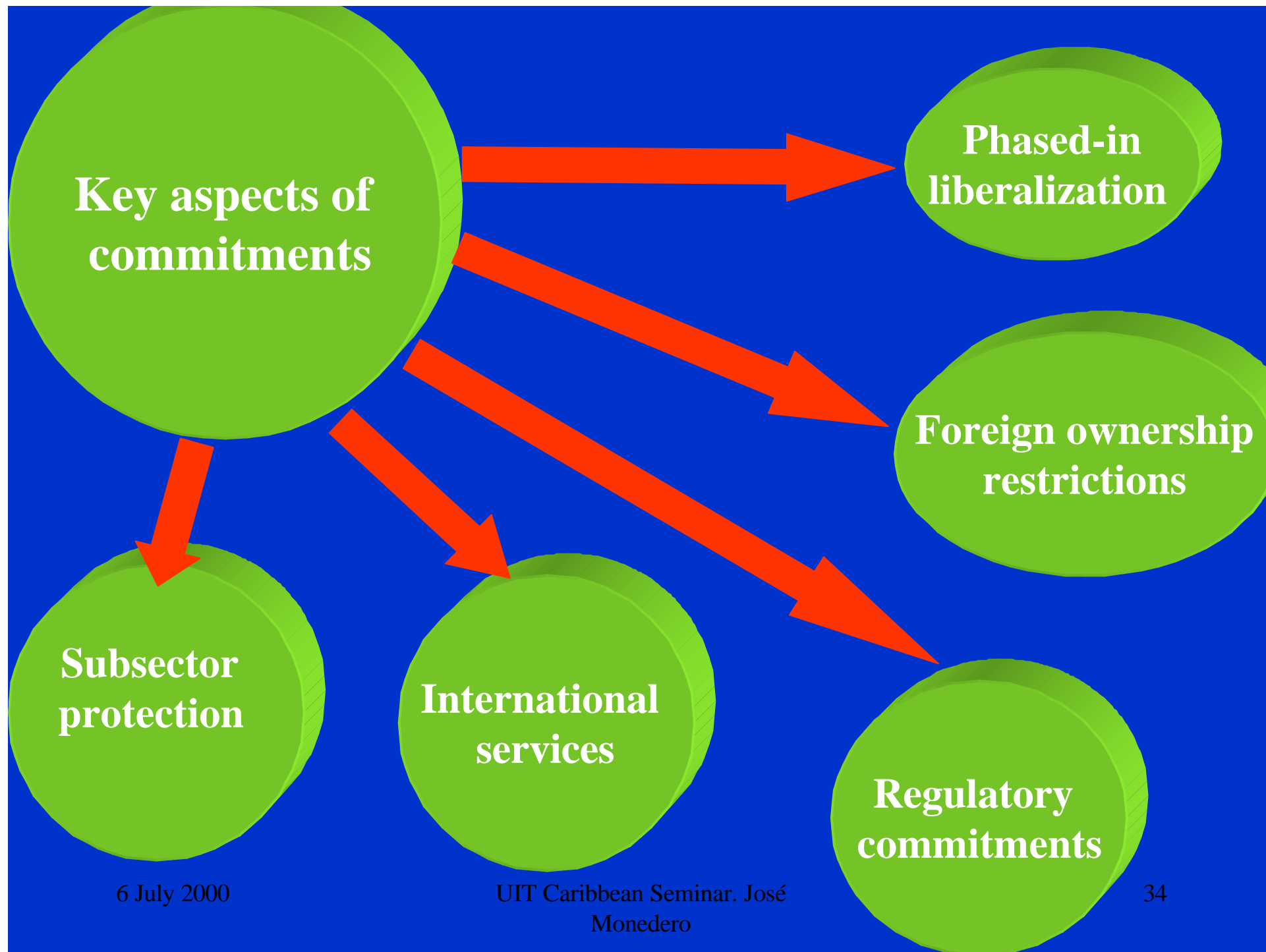


**What ?**

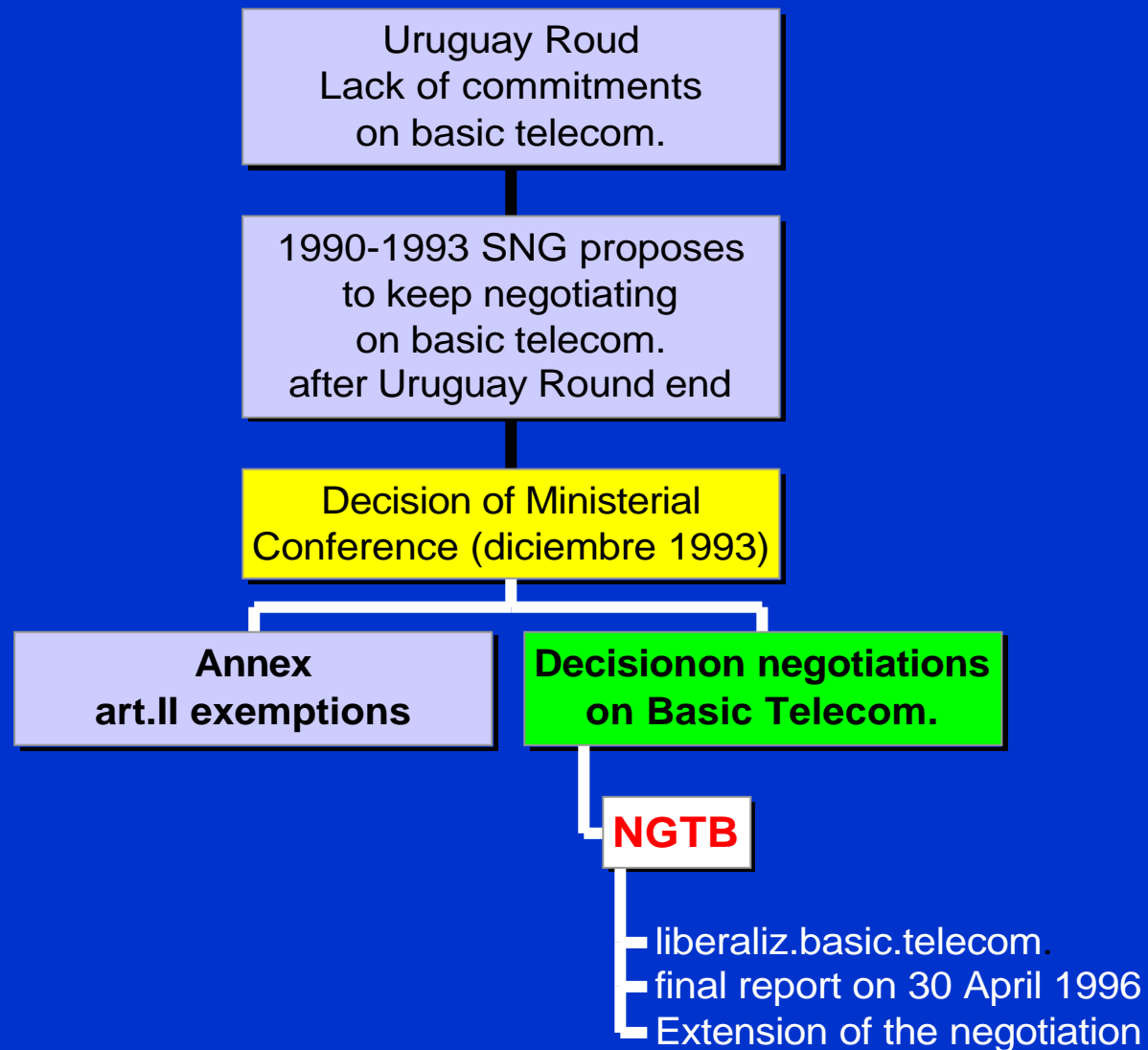
**Who ?**

**How ?**

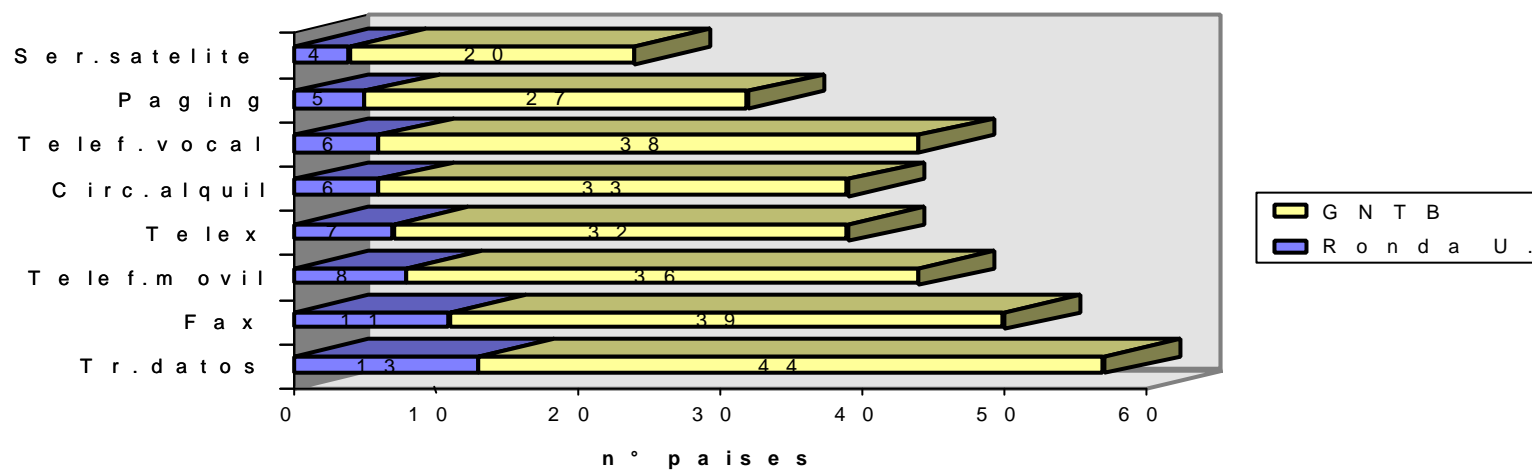
**Why ?**



# Negotiating Group on Basic Telecommunications



# Comparacion ofertas en servicios Ronda Uruguay /



# Negotiating Group on Basic Telecommunications (NGBT)

## 1994-96

- Over 50 countries participate
- Commitments in basic telecommunications increase from 8 to 48 by 30 April 1996
- Development of Reference Paper on regulatory principles
- No agreement; outstanding issues
  - improving quality and quantity of offers
  - the mobile satellite services (GMPCS) issue
  - by-pass of international telecommunication services

## **Setbacks to agreement in NGBT**

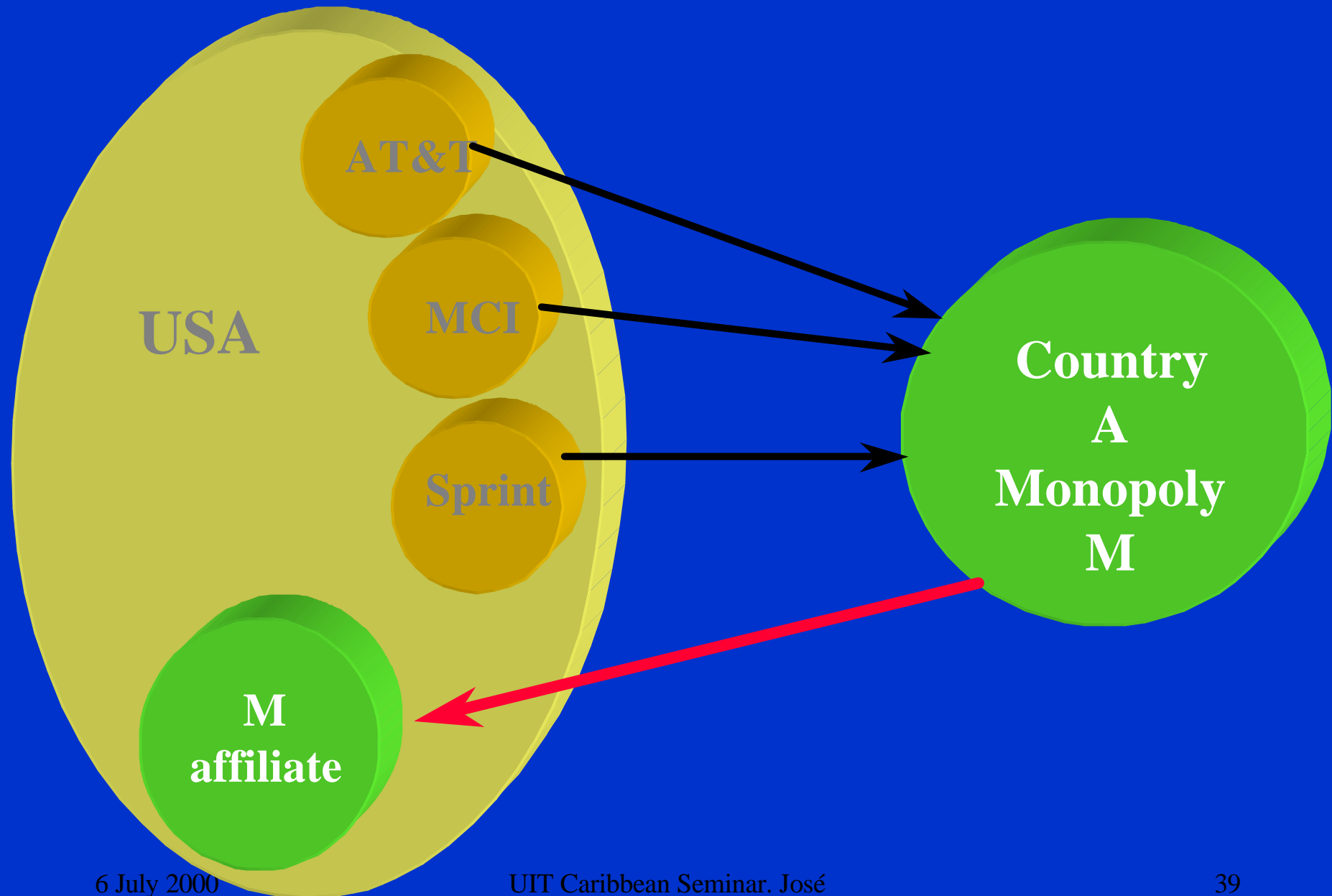
**Lack of “critical mass”**

**Lack of satellite services  
'commitments**

**Licencing international services**

**Extension of negotiation  
in extremis**

## Licencing international services

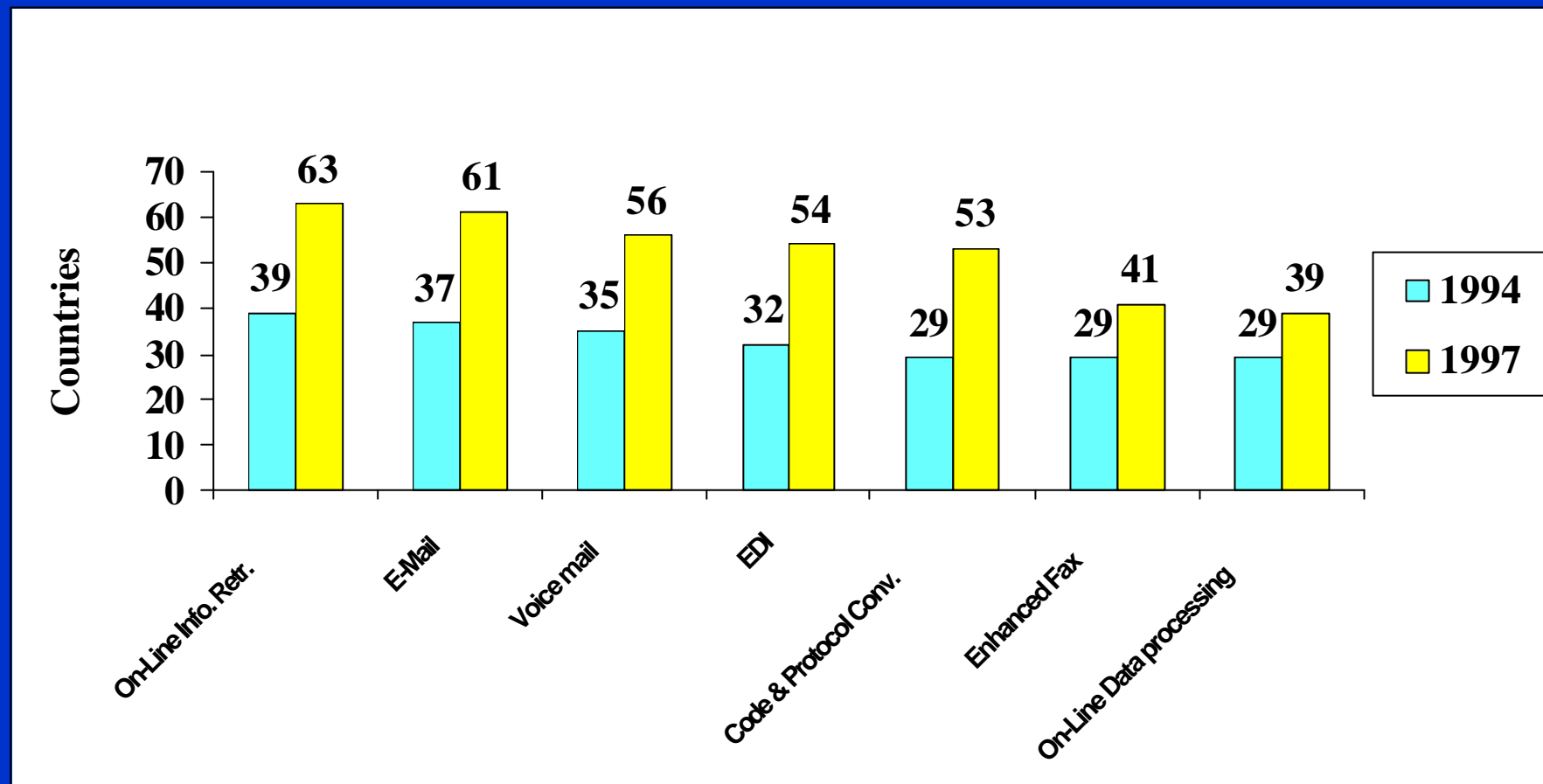


# **Group on Basic Telecommunications (GBT) 1996-97**

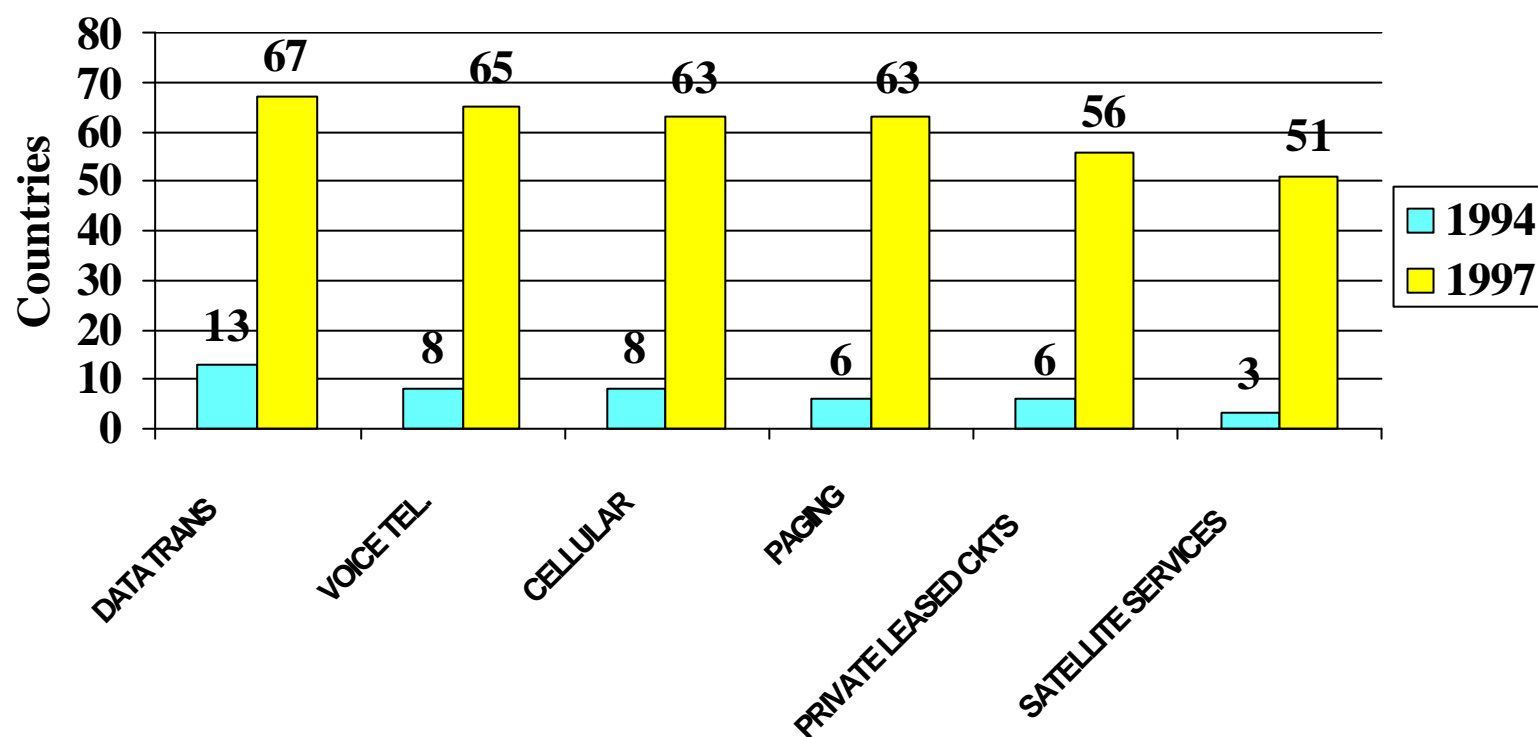
- Agreement, 15 February 1997**
- Sixty-nine countries make commitments**
- Represent over 91% of global  
telecommunication revenues**



# Commitments in Value Added Services



# Commitments in Basic Telecommunications



Pais	% mund o	Derechos exclusivos telefonía de red fija	Inversion Extranjera	Infraestructura propia	Rventa. capac.	Telefonía fija					Tra da	
Antigua&Barbados		Monopolio hasta 2012				L	LD	I	R	By p		
Argentina	1	Monopolio hasta 2000		Monopolio. 2000				2012			20	
Australia	1.9	Licencias ilimitadas	100% nuevos operad.								Serv.	
Bangladesh		Monop.internac.2licen.nacional	licenc.privadas	2 licencias		2 licenc.						
Belice												
Bolivia		Monopolio hasta 2001 en LD		2001		coo p		2001				
Brasil	1.4	Comprom.1 año tras aprob.lev	movil 100% 1999	Sin compromiso		Sin compromiso						
Brunei		Monopol.internac.hasta 2010								Duopol		
Bulgaria		Monopolio voz hasta 2003		Monopolio red 2005								
Canada	1.8	Monopol.internac hasta oct 98	20%Dir,33%Ind	cable sub.nov.1998						Rutado		
Chile												
Colombia		Monop.LD e I.Test necesidad	70%	red local						Rutado		
Corea	1.45		33% hasta 2001							Acu erd	2001	
Costa de Marfil		Monopolio hasta 2007										
Dominica												
Ecuador			100% en celular									
El Salvador												
Estados Unidos	29.7		20%Dir,100%Ind									
Filipinas	0.16	Licenc.contest necesidad	40%	Excepto CATV, sat.								
Ghana		Duopolio 5 años y rev.	Solo joint venture									
Granada		Monopolio hasta 2006		Monopolio 2006							20	
Guatemala										Rutado		
Hong Kong	0.85	4 licenc.local. rev.1998		local				1998			15	
Hungría		Monopol hasta 2003-2004	75%Monop.100% resto			200 4			2003			
India	0.63	Duopolio 10 años y rev.	25%						2004			
Indonesia	0.45	Monop.LD 2006, Duop.I 2005	35%			201 1	200 6		2005		3 d	
Islandia												
Israel		Monop.local hasta 2001	74% intern-80%radio					2001		2002		
Jamaica		Octubre de 2013		2013				2013			2013	
Japon	15.6		20% NTT,KDD									
Malasia	0.35		30%									
Marruecos	0.11	Monopolio hasta 2002	En monopolio							Rutado		
Mauricio	0.02	Monopolio hasta 2004									20	
México	1.08		49%							Rutado		
Noruega	0.54											
Nueva Zelanda	0.35		49% un solo acc.									
Papua N.Guinea		Monopolio hasta 2003		Monopolio 2002							20	
Paquistán	0.17									200 4	200	
Peru	0.19	Monopolio hasta 1999		1999	1999				1999			
Polonia	0.36		49%	2003		200 3	200 3		2003			
Rep.Checa		Monopolio hasta 2000		2000						Monopol		
Rep.Dominicana												
Rep.Eslovaca		Monopolio hasta 2003		Monop.2003								
Rumania	0.07	Monopolio 2003									2003	
Senegal		Apertura todos servicios.2004				2004- 2007		2004			Tot	
Singapur	0.42	Dos nuevos operad.2000	74%								20	
Sri Lanka		Mono.internac.hasta 2000	35%			duopol.20 03		2000			20	