

EUROPEAN COMMISSION

Directorate-General for Trade

 $\label{eq:Directorate} Directorate \ B-Services \ and \ investment, \ bil ateral \ trade \ relations \\ \textbf{Unit B1 - Services \ and \ Investment}$

Brussels, 17.12.2011

REPORT

Subject: Meeting with the European Services Forum, Brussels, 13 December 2011

| <u>I</u> | General issues | | | | | |
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II State of play regarding the multilateral trade agenda

ESF (O'Toole): There is frustration in the services industry on the DDA. We have given some thought as to whether WTO-consistent <u>plurilateral negotiations on services</u> might advance things. If there is a real engagement on substance by the principal parties involved (40 countries) in services, then the DDA could make more progress. The US have been thinking about launching separate plurilateral negotiations. While there is a preference on the EU side with WTO-consistency to avoid MFN issues, focus needs to be on substance rather than on discussing legal issues, such as MFN, from the beginning. Also need to be mindful that since the Doha mandate was settled, <u>economic conditions have changed</u> dramatically. There are now more linkage between trade in goods and services, such as with data processing. Many new issues have overtaken the Doha process.

[Out of scope]

A number of

countries are willing to advance on services, which would be consistent with Article V GATS if all

sectors are covered. But if it is not a WTO negotiation, there is a slim chance of turning it into WTO negotiations, because it needs agreement from all 153 members. That's why there are plurilateral negotiations within the WTO. Indeed, since the launching of the DDA the <u>services industries have changed</u> and so have the economic conditions. So far there has only been one round of negotiations in services, namely the GATS. Would be useful if you continue to reflect on how to advance.

Questions by ESF representatives:

[Out of scope]

-On ICT there have already been a number of very good comments. With regard to plurilateral services negotiations, there has already been a discussion last year.

COM ([Art.4.1 b]): the <u>ICT principles</u> are a good sign, even if they are not an internationally binding agreement.

[Out of scope]

ESF (Kerneis): [Out of scope]

As regards <u>Doha negotiations on a plurilateral basis</u>, let's resume negotiations on issues where progress can be made. However, we do not favour an agreement outside of the WTO framework.

III State of play regarding bilateral trade issues

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