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# Algeria's Accession to the WTO

## The services dimension

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# Outline

1. Accession process – services dimension

2. Current WTO negotiations – services dimension

# Algeria's accession obligations

Agreement Establishing the WTO

Multilateral Trade Agreements

## In a nutshell

The basic structure of the WTO agreements

	<b>Goods</b>	<b>Services</b>	<b>Intellectual property</b>	<b>Disputes</b>	<b>Trade policy reviews</b>
<i>Basic principles</i>	<b>GATT</b>	<b>GATS</b>	<b>TRIPS</b>	<b>Dispute settlement</b>	<b>TPRM</b>
<i>Additional details</i>	Other goods agreements and annexes	Services annexes			
<i>Market access commitments</i>	Countries' schedules of commitments	Countries' schedules of commitments (and MFN exemptions)			

Plurilateral Trade Agreements (Gov. Procurement / Trade in Civil Aircraft)

### 1) Report of WPAA:

Specifies Algeria's obligations to bring its trade regime in line with WTO rules

### 2) Algeria's 'trade

concessions': specific market access commitments on goods and services

# Why trade in services matter?

- Services account for two thirds of world GDP , two thirds of world inward FDI stock and occupy almost half of the world labour force, including the largest proportion of high skilled jobs
- Services are crucial not only on their own right, but for other sectors of the economy as well.
- Servicification of manufacture (and agriculture)
- Services are the backbone of digital trade
- Services play a major role for achieving social and development objectives
- Services are key for innovation, economic growth and development

# Future of trade in services

## ➤ Driving factors of change

- Digital Technologies
- Demographic changes
- Climate change and consumers' growing environmental awareness

## ➤ WTO forecast

- The share of services in global trade is likely to increase by 50 percent by 2040
- Subject to adequate technological infrastructure, developing countries' share in global services trade could increase by about 15 per cent.

# 'Barriers' to trade in services?

- Measures that restrict market access
- Discriminatory measures
- Non-discriminatory measures

# GATS' Objectives

- Expansion of trade in services
- Progressive liberalization through successive rounds of negotiations
- Increasing participation of developing countries
- Recognizing the right to regulate (liberalisation **does not** mean deregulation)

# GATS' Scope and Definition

## ➤ ALL MEASURES AFFECTING TRADE IN SERVICES

(At all government levels, including non-governmental bodies exercising delegated authority)

## ➤ DEFINITION OF TRADE IN SERVICES

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

## ➤ UNIVERSAL COVERAGE OF GATS

(All services, except those provided in the exercise of governmental authority and air transport )

WTO Service Sector Classification List	
➤ Business services	➤ Financial services
➤ Communication services	➤ Health-related and social services
➤ Construction and related engineering services	➤ Tourism and travel-related services
➤ Distribution services	➤ Recreational, cultural and sporting services
➤ Educational services	➤ Transport services
➤ Environmental services	➤ Other services not included elsewhere



# GATS' Structure

## A set of Rules and Disciplines

- General Obligations
  - MFN, Transparency, Domestic Regulations, Payments and Transfers, etc.
- Specific Commitments
  - Market Access
  - National Treatment

## Schedules of Specific Commitments

- Each Member decides in which sector and mode/s of supply it wants to undertake specific commitments
- Members may specify terms, limitations and conditions to their specific commitments

# Schedule of Specific Commitments

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
A	1) 2) 3) 4)	1) 2) 3) 4)	
B	1) 2) 3) 4)	1) 2) 3) 4)	...
C	1) 2) 3) 4)	1) 2) 3) 4)	...
...	...	...	...

What is not in the schedule, is not committed to MA and NT but it is not outside the scope of the Agreement

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

# Preparing Algeria's offer of specific commitments

- Decide which sectors to include in the schedule (positive list)
- Identify the MA and NT restrictions applicable to those sectors and modes of supply
  - Make sure to undertake an exhaustive review of the applied regime (sectoral and horizontal restrictions)
  - Coordination between public authorities is key
- Record limitations to specific commitments in the schedule (highly technical and delicate task )
- No need to go beyond binding applied regime' but consider opportunity to 'lock in' reforms (see China's schedule)
- Final schedule is the result of bilateral negotiations, so leave room to accommodate requests

# Expected requests from WTO Members

## Percentage of WTO Members with commitments by sector

	Business	Communication	Construction & Engineering	Distribution	Education	Environmental	Financial	Health & Social	Tourism & Travel	Recr., Cultural and Sport	Transport	Other
WTO Members (164)	65%	64%	49%	35%	32%	36%	68%	32%	80%	41%	54%	5%
Least Developed Countries (29)	55%	31%	34%	14%	24%	21%	34%	21%	93%	34%	28%	7%
Developing Country Members (67)	72%	79%	43%	15%	10%	18%	87%	22%	93%	31%	57%	7%
Developed Country Members (35)	100%	100%	90%	100%	80%	90%	100%	40%	100%	80%	100%	10%
Acceded Members (33)	100%	100%	100%	100%	94%	97%	100%	85%	100%	85%	97%	3%

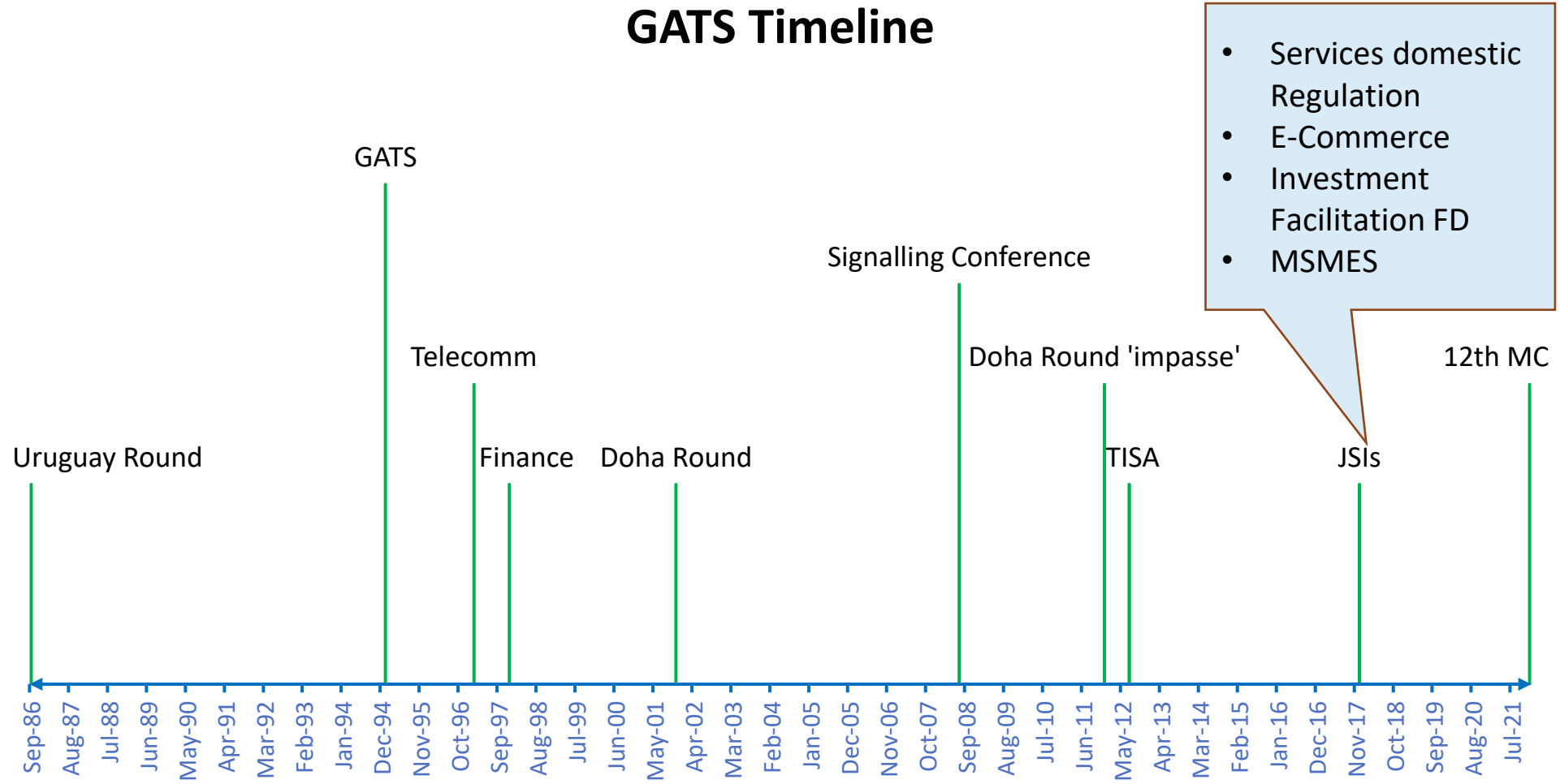
Source: WTO i-tip database 2021

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# GATS Timeline



# DDA Impasse

New Trading Landscape	Old Negotiation Methods	In the meantime...
<ul style="list-style-type: none"><li>➤ Nature of trade is changing</li><li>➤ Barriers to trade have moved from the border to within the border</li><li>➤ Redistribution of trade power</li><li>➤ Larger and more diverse WTO membership</li><li>➤ China effect</li></ul>	<ul style="list-style-type: none"><li>➤ Consensus practice</li><li>➤ Broad negotiation agenda subject to single undertaking rule</li><li>➤ S&amp;DT for developing countries (non-reciprocity)</li></ul>	<ul style="list-style-type: none"><li>➤ Widening gap between trade rule book and trade reality</li><li>➤ Members vote with their feet seeking for trade rules elsewhere (349 PTAs in force and rising...)</li></ul>

# Current negotiations

	MULTILATERAL	OPEN PLURILATERAL			
	Fisheries Subsidies	E-Commerce	Services Dom. Regulation	Investment Facilitation FD	MSMEs
EU	✓	✓	✓	✓	✓
Japan	✓	✓	✓	✓	✓
Canada	✓	✓	✓	✓	✓
US	✓	✓	✓	X	X
Brazil	✓	✓	✓	✓	✓
Russia	✓	✓	✓	✓	✓
China	✓	✓	✓	✓	✓
India	✓	X	X	X	X
African Group	✓	X	X	?	X



# JSI on Services domestic regulation

- **What does it cover:** disciplines on transparency, development and administration of licensing and qualification requirements and procedures and technical standards
- **For:** 65 WTO Members accounting for 90% of world services trade (mostly high/middle income countries)
- **Against:** India, African Group (South Africa), LDC group, Bolivia, Cuba, Venezuela, ASEAN (but for Thailand and Singapore)
- **Means to give effect to negotiated outcomes:** inscribe disciplines on Members' schedules as additional commitments
- **Prospects**
  - Draft Text consolidated
  - Most indicative schedules with the disciplines had been submitted to the WTO Secretariat
  - Conclusion of negotiations expected for 12th MC.

# JSI on e-commerce

- **What does it cover:** enabling electronic commerce, openness and electronic commerce, trust and electronic commerce, telecommunications and market access
- **In favour:** 86 members: mostly High/MIC, ASEAN, Nigeria, Middle East Countries
- **Against:** India, African Group (South Africa), LDC group, Bolivia, Cuba, Venezuela
- **Means to give effect to negotiated outcomes:?????**
- **Prospects????**
  - ☺ Electronic signatures and authentication, e-contracts, online consumer protection
  - ☹ data flows, data localization, protection of personal information, transfer of source code, customs duties on electronic transmissions, access to internet, competition on digital markets, digital taxes

# Joint Statement Initiatives

Main Features	Critique (India / SA / AG)
<ul style="list-style-type: none"><li>• Results-oriented negotiations or discussions on issues of increasing relevance to the world trading system.</li><li>• Based on the principles of openness, transparency and inclusiveness</li><li>• Expanding number of participants from both developed and developing WTO members</li><li>• Negotiated outcomes expected to be open to all WTO members on an MFN basis (subject to 'critical mass')</li><li>• Means to give legal effect to negotiated outcomes?</li></ul>	<ul style="list-style-type: none"><li>• Circumvent treaty amendment procedures</li><li>• Lack a multilateral negotiating mandate adopted by consensus</li><li>• Shifts negotiating agenda away from issues that matter to developing countries</li><li>• Fragment the multilateral trading system</li><li>• Undermine the multilateral character of the WTO</li><li>• But what is the alternative?</li></ul>



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**Thank you**