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GATS 2000

REQUEST FROM THE EC AND ITS MEMBER STATES (HEREINAFTER THE EC)

TO

THE PEOPLE'S REPUBLIC OF CHINA (HEREINAFTER "CHINA")

GENERAL REMARKS

At the WTO Ministerial Conference in Doha in November 2001, Ministers agreed that initial requests for specific commitments should be submitted by 30 June 2002.

In line with this decision, and committed to the objectives and principles stated in the GATS, in particular Article IV and XIX GATS, as well as the negotiating guidelines agreed by the Council for Trade in Services on 29 March 2001, the EC encourages Chile to participate actively in the negotiations.

The EC considers that the progressive liberalisation of services is of benefit for all members, including developing and least developed countries. In this context, the EC recognises the importance of liberalisation being underpinned by domestic regulatory frameworks designed to ensure the achievement of public policy objectives.

This request covers horizontal commitments and the following service sectors:

- Professional services
- Business services (other than professional services)
- Postal and courier services
- Telecommunication services
- Construction and related engineering services
- Distribution services
- Environmental services
- Financial services
- Tourism and travel related services
- News agency services
- Transport services
- Energy services

The EC proposes that China's current GATS commitments are revised in accordance with this request. The EC is both seeking improved commitments and clarification of

existing commitments as set out in this Request. The EC is furthermore looking for a reduction in scheduled limitations whether these are horizontal or sector specific in nature. In so doing, the EC is not seeking the dismantling of public services nor the privatisation of state owned companies.

In conformity with the objectives set out in the EC's overall approach to services negotiations (document S/CSS/W/15), the EC reiterates its commitment to promote regulatory disciplines in accordance with Article VI:4 of the GATS. The EC, however, reserves the right to address at any time to China specific requests concerning regulatory issues.

The EC further requests that commitments are entered in accordance with the scheduling guidelines adopted by the Council of Trade in Services on 23 March 2001 (S/L/92). In particular, for each commitment or limitation entered the EC requests:

- that the sector and sub-sector are clearly identified in accordance with the classification list in Document MTN.GNS/W/120 or other internationally recognised classification (e.g. Financial Services Annex) and corresponding CPC number. If this is not possible, the schedule should contain a sufficiently detailed definition to avoid any ambiguity as to the scope of the commitment. In that respect, the EC would like to recall the classification or list of activities proposed in its negotiating proposals with regard to postal and courier, environmental and energy services. While discussions on classification in these sectors are still ongoing, the EC would like to invite China to present its offer in accordance with this approach.
- that any remaining limitation on market access (hereafter "MA") or on national treatment (hereafter "NT") are clearly described and only be inscribed in the market access or national treatment columns if the measure is of a nature foreseen by Articles XVI-XVII GATS.

The EC remains available to provide any clarification and answer any question on this request. Questions can be addressed to the European Commission via the EC GATS contact point (mailbox: TRADE-GATS-CONTACT-POINTS@cec.eu.int), via the Delegation of the European Commission in Geneva, or at the following European Commission (Directorate-General Trade, Unit D2 (Trade in services, including e-commerce), Brussels, B-1049, Belgium, fax 32-2-299 24 35).

Note : The EC reserves the right to revise and/or supplement this request. For each service sector, W120 classification has been followed unless expressly indicated and CPCs refer to the Provisional CPC classification. The precise scope for each sector is without prejudice to the EC's final positions on classification issues and to the EC's classification of their existing commitments.

HORIZONTAL COMMITMENTS

EC REQUEST TO CHINA

MODE 3

MA: The establishment of branches by foreign enterprises is unbound, unless otherwise indicated in specific sub-sectors, as the legislation was under formulation at the time of WTO accession. **EC Request:** delete this requirement

MODE 4

Definitions:

- It is not clear what it meant by the definitions of « managers », « executives » and « specialists ». **EC Request:** Please define these terms.

Intra-corporate transferees:

- Minimum prior employment requirement not specified. **EC request:** Please indicate whether there are any limitations in relation to this.
- Only transfers to representative offices, branches or subsidiaries are covered. **EC request:** Extend coverage to include all affiliated companies and offices.
- The EC also requests that a commitment be made to allow as intra-corporate transferees without requiring an economic needs test « persons with a university degree or equivalent technical qualification who are transferring for career development purposes or to obtain training in business techniques or methods ». The maximum prior employment requirement should be one year.

Business Visitors:

- No commitment has been made for Business Visitors who are not entering to themselves supply a service, but rather to establish a commercial presence. **EC request :** Make a specific commitment to this effect. The maximum length of stay should be at least 90 days in any 12 month period.

Contractual Service Suppliers :

- A contractual service supplier is a juridical person with no commercial presence in China, who has obtained a service contract in China which requires the presence of its employees in China in order to fulfil that contract. **EC request :** Take commitments for natural persons employed in the service sectors listed below and seeking temporary entry as contractual service suppliers. Such natural persons can be required to have a university degree or equivalent technical qualification – plus the appropriate professional qualifications where this is required by domestic law. The length of stay may be limited in time.

List of sectors :

1. Business Services

Legal Services

Accounting and bookkeeping services

Taxation services

Architectural services

Engineering Services

Integrated engineering services

Urban planning and landscape architectural services

Computer and Related Services

Management consulting services

Services related to management consulting

Related scientific and technical consulting services

6. Environmental Services

All sub-sector

7. Financial Services

Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services

Advisory, intermediation and other auxiliary financial services on all the activities listed in the subparagraphs (v) to (xv) of the classification of the Annex on Financial Services, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy

Additional commitments.

- Difficulties are experienced as a result of the length of time taken to process work permits and visas. The EC wishes to discuss the possibility of taking additional commitments to address this issue.

Note : Mode 4 is covered horizontally in this part for all service sectors. The sectoral requests in the following pages only refer to mode 4 when specifically related to one particular service sector.

PROFESSIONAL SERVICES

EC REQUEST TO CHINA

China has committed this sector only partially. The EC requests that this sector is committed as follows:

A.LEGAL SERVICES (CPC 861)

- This sub-sector is not committed for consultancy through lawyers qualified in China. **EC Request:** Extend sectoral coverage of commitments to consultancy on law of jurisdiction where the service supplier or its personnel are qualified lawyers
- Mode 3: MA – Prior practice requirement for representatives of a foreign law firm. **EC Request:** Remove

B. ACCOUNTING, AUDITING AND BOOKKEEPING SERVICES (CPC 862)

- Mode 3: MA – Access to partnerships or incorporated accounting firms limited to certified public accountants. **EC Request:** Remove

D. ARCHITECTURAL SERVICES (CPC 8671)

E. ENGINEERING SERVICES (CPC 8672)

F. INTEGRATED ENGINEERING SERVICES (CPC 8673)

G. URBAN PLANNING AND LANDSCAPE ARCHITECTURAL SERVICES (CPC 8674)

For each of these sub-sectors [d) to g)]:

- Mode 1: MA – Requirement of cooperation with Chinese professional organisations for activities other than scheme design. **EC Request:** Remove
- Mode 3: NT – Obligation to be registered in home country. **EC Request:** Remove. In accordance with the Scheduling Guidelines adopted by the Council of Trade in Services (S(L(92 of March 2001), such entry does not need to be scheduled

BUSINESS SERVICES (OTHER THAN PROFESSIONAL SERVICES)

EC REQUEST TO CHINA

B. COMPUTER AND RELATED SERVICES

Computer and Related Services (CPC 84): This sub-sector has only been partially committed. **EC request:**

- Extend coverage to include all of CPC 84 and schedule commitments at the two-digit level as follows:
- Modes 1, 2 and 3: Take full commitments, i.e. schedule "none" under MA and NT; Mode 4: Commit as referred to in the horizontal section.

F. OTHER BUSINESS SERVICES

NB: Requests (if any) on (h) - services incidental to mining, and (j) - services incidental to energy distribution, are covered in those sections of the request dealing with Energy Services and Construction Services.

a) Advertising (CPC 871)

Modes 1 and 2 : MA – registration requirement. **EC request** : Eliminate.

b) Market research (CPC 86401)

China has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

d) Services related to management consulting (CPC 866)

China has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

e) Technical testing and analysis services (CPC 8676)

- Mode 3 : MA – Prior experience requirement of three years + minimum registered capital requirement of US\$ 350,000. **EC request** : Eliminate by end of four year transition period for this sub-sector.

l) Security Services (CPC 87302 – 87309)

China has not committed this sub-Sector. The EC requests that it be committed as follows :

- Mode 3 : MA - Commit with no form of establishment or equity limitation. Full NT commitment - i.e. schedule "none".
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

m) Related scientific and technical consulting services (CPC 8675)

China has only partially committed this sub-sector. **EC request** : Commit all of CPC 8675 as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule « None » under MA and NT.
- Mode 4 : Commit as referred to in the horizontal section.
- For those sub-sectors already committed, mode 3 : MA – restriction on scope of activity and form of establishment. **EC request** : Eliminate.

n) Maintenance and Repair of Equipment (not including transport equipment) (CPC 633 + 8861-8866)

- Mode 3 : MA – Minimum global asset requirement of US\$ 5 million. **EC request** : Eliminate.

o) Building cleaning services (CPC 874)

This sub-sector has not been committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

Grounds maintenance (part of CPC 88110)

- Mode 3; MA form of establishment restriction. **EC Request:** Eliminate

Washing and Cleaning services (CPC 97011)

China has not committed this sub-sector. The EC requests that it be committed as follows:

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

The EC also invites China to consider taking commitments in Research and Development Services (CPC 85), placement and supply services of personnel (CPC 876) and printing and publishing (CPC 88442), as well as improving existing commitments on Rental and Leasing Services without Operators (CPC 831), translation services (CPC 87905) and convention services (part of CPC 87909).

POSTAL AND COURIER SERVICES

EC REQUEST TO CHINA

China has only partially committed this sector (commitments in courier services). This request is based on the EC proposal for the classification of postal and courier services. While discussions on classification in this sector are still ongoing, the EC would like to invite China to present its offer in accordance with this proposal, without prejudice to the outcome of the discussion on the classification of postal and courier services:

SERVICES RELATING TO THE HANDLING¹ OF POSTAL ITEMS², WHETHER FOR DOMESTIC OR FOREIGN DESTINATIONS:

A. Handling of addressed written communications on any kind of physical medium³, including:

- Hybrid mail services

- Direct mail

B. Handling of addressed parcels and packages⁴

C. Handling of addressed press products⁵

D. Handling of items referred to in A. to C. above as registered or insured mail

E. Express delivery services⁶ for items referred to in A. to C. above

F. Handling of non-addressed items

G. Document exchange

H. Other services not elsewhere specified

¹ The term “handling” should be taken to include clearance, sorting, transport and delivery.

² “Postal item” refers to items handled by any type of commercial operator, whether public or private.

³ E.g. letter, postcards.

⁴ Books, catalogues are included hereunder.

⁵ Journals, newspapers, periodicals.

⁶ Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, confirmation of receipt.

For sub-sectors B., C., E., F. and G. :

- Modes 1, 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Commit as referred to in the section « Horizontal commitments ».

For sub-sectors A. and D. :

- Modes 1, 2 and 3: Undertake commitments for market access and national treatment.
- Mode 4 : Commit as referred to in the section « Horizontal commitments ».

TELECOMMUNICATION SERVICES

EC REQUEST TO CHINA

China has only partially committed this Sector. The EC requests that this Sector is committed as follows:

ALL MODES

There are no commitments in telex, telegraph and international private leased circuit services. **EC request:** Make full commitments in these sub-sectors, i.e. schedule “None”.

MODE 1

The schedule systematically reads “see mode 3). It is not clear what that means in practice, e.g. how can China impose a Chinese participation on a company established abroad. **EC Request:** clarify which restrictions, if any, apply to mode 1.

MODE 3

- There is an obligation to set up joint ventures. **EC request:** Remove this restriction.
- The share of foreign capital is limited to 50% for value-added-services and paging after a transition period of two years upon accession, to 49% for mobile services after a transition period of three years, and to 49% for other basic telecom services after a transition period of six years. **EC request:** Remove these restrictions.
- The geographical area of operation is restricted until the end of a transition period of two years for value-added-services and paging, of five years for mobile services and of six years for other basic telecom services. **EC request:** Remove these restrictions.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

EC REQUEST TO CHINA

GENERAL

China has committed this Sector only partially. The EC requests that this Sector be committed as follows:

ALL SUB-SECTORS (CPC 511 to CPC 518)

Mode 3: MA – Wholly foreign-owned enterprises can only undertake four types of projects. **EC Request:** Remove these restrictions.

DISTRIBUTION SERVICES

EC REQUEST TO CHINA

China has only partially committed this Sector. The EC requests that this Sector is committed as follows :

A. COMMISSION AGENTS' SERVICES (CPC 621, 6111+6113+6121)

The distribution of salt and tobacco is not committed. **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

- Mode 1: This Mode remains unbound. **EC Request** : Take full commitments, i.e. schedule "none".

B. WHOLESALE TRADE IN SERVICES (CPC 622, 6111+6113+6121)

The distribution of salt and tobacco is not committed. **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

C. RETAILING SERVICES (CPC 631+632, 6111+6113+6121+613)

The distribution of tobacco is not committed: **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".
- Mode 1: MA and NT - By mail order only. **EC Request:** Remove the restriction and schedule "none".
- Mode 3: MA : Chain stores with more than 30 outlets distributing any of the goods listed below can not establish with foreign majority ownership : books, newspapers and magazines; pharmaceutical goods; pesticides and chemical fertilizers; mulching film; processed oil; goods in Annex 2a of The Protocol of China's accession to WTO. **EC Request:** Remove such restriction.

ENVIRONMENTAL SERVICES

EC REQUEST TO CHINA

This request is based on the EC proposal for the classification of environmental services. While discussions on classification in this sector are still ongoing, the EC would like to invite China to present its offer in accordance with this proposal, without prejudice to the outcome of the discussion on the classification of environmental services:

A. WATER FOR HUMAN USE & WASTEMANAGEMENT

Water collection, purification and distribution services through mains, except steam and hot water

This subsector only concerns the distribution of water through mains' (i.e. urban sewage systems). This excludes any cross-border transportation either by pipeline or by any other means of transport nor does it imply access to water resources.

Extend sectoral coverage to include the above services.

- Mode 3: Take full commitments under MA and NT
- Mode 4: Commit as referred in the section "Horizontal commitments"

Waste water services (CPC 9401)

- Mode 3: Take full commitments, i.e. schedule "none" under MA and NT
- Mode 4: Commit as referred in the section "Horizontal commitments"

B. SOLID/HAZARDOUS WASTE MANAGEMENT

Refuse disposal services (CPC 94020)

Sanitation and similar services (CPC 94030)

C. PROTECTION OF AMBIENT AIR AND CLIMATE

Services to reduce exhaust gases and other emissions and improve air quality (CPC 94040)

D. REMEDIATION AND CLEANUP OF SOIL & WATER

Treatment, remediation of contaminated/polluted soil and water (part of CPC 94060)

E. NOISE & VIBRATION ABATEMENT

Noise abatement services (CPC 94050)

F. PROTECTION OF BIODIVERSITY AND LANDSCAPE

Nature and landscape protection services (part of CPC 94060)

G. OTHER ENVIRONMENTAL & ANCILLARY SERVICES

Other environmental protection services not classified elsewhere (CPC 94090)

For each of the above sub-sectors (B-G):

- Mode 3

Market access: Foreign service suppliers may provide services only in form of joint ventures, with foreign majority ownership permitted. **EC Request:** Allow wholly owned foreign subsidiary, i.e. schedule “none”.

FINANCIAL SERVICES

EC REQUEST TO CHINA

China has committed this sector only partially. The EC requests that it be committed as follows:

GENERAL

- **EC Request:** Undertake commitments in accordance with the Understanding on Commitments in Financial Services.

INSURANCE

- Mode 1: MA – Services auxiliary to insurance are not committed. **EC Request:** Take full commitments.
- Mode 2: MA – Unbound for brokerage. **EC Request:** Take full commitments similar to mode 1 commitments.
- Mode 3: MA- The legal form of establishment is limited to companies. **EC Request:** Allow the establishment of associations of underwriters.
- Mode 3: NT – Statutory insurance business is closed to foreign companies. **EC Request:** Open this line of business to foreign companies.
- Mode 3: MA – Life insurance business is allowed only through 50% joint-ventures. **EC Request:** Allow wholly-owned subsidiaries and direct branching.
- Mode 3: MA – Brokerage activities of foreign companies are limited to certain lines. **EC Request:** Commit all brokerage activities

BANKING AND OTHER FINANCIAL SERVICES

- Certain subsectors, including trading for own account or for account of customers of money market instruments, derivative products, exchange rate and interest rate instruments, and other negotiable instruments, as well as money broking and settlement and clearing services are not committed. **EC Request:** Take full commitments in modes 2 and 3, and commit as referred to in the section “Horizontal commitments” in mode 4.
- Mode 3: MA – Investment fund management is allowed only through joint-ventures, with foreign ownership not exceeding 49% within three years after China’s accession. **EC Request:** Allow wholly-owned subsidiaries and direct branching.
- Mode 3: MA – Trading of A shares is not committed. **EC Request:** Commit.
- Mode 3: MA – Underwriting and trading of shares are allowed only through joint-ventures with foreign ownership not exceeding 1/3. **EC Request:** Allow wholly-owned subsidiaries and direct branching.

TOURISM AND TRAVEL RELATED SERVICES

EC REQUEST TO CHINA

China has only partially committed this sector. The EC requests that this sector is committed as follows:

A. HOTELS AND RESTAURANTS (INCL. CATERING)(CPC 641-643)

Mode 4

Market access: replace “joint venture hotels and restaurants” by “foreign hotels and restaurants” to correct the entry and cover not only foreign joint ventures but also wholly foreign-owned subsidiaries whose establishment will be permitted after a 4-years transitional period.

B. TRAVEL AGENCIES AND TOUR OPERATORS (CPC 7471)

Mode 3

Market access: Foreign service suppliers wishing to provide services in the form of joint venture need to have an annual world-wide turnover over US\$ 40 million. **EC request:** Eliminate this restriction.

The allowed business scope for travel agencies/tour operators is limited. **EC request:** Remove limitations to business scope.

Within six years after accession, requirement on registered capital of foreign invested travel agency/tour operator will be the same as for Chinese service supplier. **EC request:** Clarify what this requirement will be.

C. TOURIST GUIDES SERVICES (CPC 7472)

Extend the sectoral coverage to include tourist guide services, and undertake full commitments.

NEWS AGENCY SERVICES

EC REQUEST TO CHINA

China has not committed this sector (CPC 962). The EC requests that this Sector be committed as follows:

EC Request (CPC 962):

- Modes 1-3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred to in the section “Horizontal commitments”.

TRANSPORT SERVICES

EC REQUEST TO CHINA

A. MARITIME TRANSPORT

China has specific commitments with certain restrictions for maritime transport. Restrictions relate in particular to activities other forms of commercial presence (unbound), for cargo-handling and container stations (ownership limitation: majority joint venture), maritime agency activities (ownership limitation: joint venture 49%). Activities not defined

EC request: Take commitments in accordance with the attached model schedule (Annex 1). In particular for the following areas:

- 1) **International transport (freight and passengers) CPC 7211 and 7212**
- 2) **Additional commitments for access to and use of ports facilities**
- 3) **Maritime auxiliary services (maritime cargo handling, storage and warehouse services, customs clearance services, container station and depot services, maritime agency services)**
- 4) **Multimodal activities: for inland forwarding of cargoes - commit the ability to rent or lease - or to have access to and use of multimodal facilities (as specified in the note to the schedule).**
- 5) **Definitions – commit definitions as specified in the model schedule.**

The EC also request the following additional maritime commitments from China:

- 6) **Equipment.** To facilitate planning of their businesses operators should be allowed to reposition their own equipment, such as empty containers, between ports of China, when it is not carried against payment. This is requested to be committed in a new footnote:

“9. Movement of own equipment. International maritime transport suppliers can move/reposition their own equipment (i.e. empty containers, flatbeds etc.) on their own vessels between ports of China.”

- 7) **International cargo.** With the development of containerisation and high frequency networking services and with the ever-larger vessels having to limit direct port calls for physical or economic reasons, the feeding of cargoes between main ports and way ports is becoming more important as an integral part of efficient international maritime transport. An international maritime transport supplier should be allowed to operate feeder services for its

international cargo between ports of China. This is requested to be committed in a new footnote:

“10. International maritime transport suppliers can operate vessels of any flag for the purposes of pre- and onward carriage of the international cargo between ports of China.”

In this context China may wish to take the one or more of the following principles into concern:

- Size of the port. Only valid for international cargo relayed between national ports handling more than [25.000 TEU] on an annual basis.
- Binding existing ad hoc practices. To the extent exceptions are already granted for use of foreign flagged vessels such practices could be bound to explicitly cover pre- and onward carriage of international cargo.
- Geographical limitations: Transport of international cargo between ports within the same province [or other relevant regional entity] remains excluded.

A final request related to maritime transport is:

8) Rental and leasing of vessels with crew (CPC 7213, 7223).

China has no commitments for this activity

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as in horizontal commitments.

C. AIR TRANSPORT

1) Maintenance and repair of aircraft and parts thereof.

China has commitments for this activity with restrictions on establishment (joint venture with Chinese control).

EC request:

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

2) Selling and marketing.

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

3) Computer Reservation Systems.

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

4) Groundhandling services, as specified in the attached definitions (Annex 2).

EC request:

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

5) Airport management services, as specified in the attached definitions (Annex 2).

EC request:

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

F. ROAD TRANSPORT

d) Maintenance and Repair of Road Transport Equipment (CPC 6112)

China has no commitment for this activity.

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

H. SERVICES AUXILLARY TO ALL MODES OF TRANSPORT

c) Freight Transport Agency/Freight Forwarding Services (CPC 748) and Pre-Shipment Inspection (part of CPC 749)

China has commitments for this activity with phase-in periods and restrictions on additional capital requirements for each branch set up.

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

ANNEX 1: SCHEDULE ON MARITIME TRANSPORT SERVICES

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
TRANSPORT SERVICES MARITIME TRANSPORT SERVICES International Transport (freight and passengers) CPC 7211 and 7212 <u>less</u> cabotage transport	1) (a) <u>Liner Shipping</u> : none (b) <u>Bulk, tramp, and other international shipping, including passenger transportation</u> : none 2) None 3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: unbound (b) Other forms of commercial presence for the supply of international maritime transport services (as defined below – 2): none 4) (a) Ships' crews: unbound (b) Key personnel employed in relation to a commercial presence as defined under mode 3b) above: Unbound except as in horizontal section	1) (a) None (b) None 2) None 3) (a) Unbound (b) None 4) (a) Unbound (b) Unbound except as in horizontal section	The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling and watering 4. Garbage collecting and ballast waste disposal 5. Port Captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies 8. Emergency repair facilities 9. Anchorage, berth and berthing services

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
MARITIME AUXILIARY SERVICES Maritime Cargo Handling Services (as defined below – 4)	1) Unbound* except for – no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* except for no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment 2) None 3) None 4) Unbound except as in horizontal section	
Storage and warehousing Services CPC 742	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Customs Clearance Services (as defined below – 5)	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Container Station and Depot Services (as defined below – 6)	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Maritime Agency Services (as defined below – 7)	1) None 2) None 3) None 4) Unbound except as in horizontal section	1) None 2) None 3) None 4) Unbound except as in horizontal section	
(Maritime) Freight Forwarding Services (as defined below - 8)	1) None 2) None 3) None 4) Unbound except as in horizontal section	1) None 2) None 3) None 4) Unbound except as in horizontal section	

* A commitment on this mode of delivery is not feasible.

** Public utility concession or licensing procedures may apply in case of occupation of the public domain.

NOTE TO THE SCHEDULE

Where road, rail, inland waterways (and) (related) (auxiliary) services are not otherwise fully covered in (this) (a Member's) schedule, a multimodal transport operator shall have the ability to rent or lease trucks, railway carriages or barges, and related equipment, for the purpose of inland forwarding of cargoes, or have access to, and use of, these forms of multimodal activities on reasonable and non-discriminatory terms and conditions for the purpose of carrying out multimodal transport operations. (« Reasonable and non-discriminatory terms and conditions » means, for the purpose of (multimodal transport operations), (this additional commitment), the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date).

DEFINITIONS

1. Without prejudice to the scope of activities which may be considered as « cabotage » under the relevant national legislation, this schedule does not include « maritime cabotage services », which are assumed to cover transportation of passengers or goods between a port located in ... (name of country or, for EEC, « a Member State ») and another port located in ... (name of the country or, for EEC, « the same Member State ») and traffic originating and terminating in ... the same port located in (name of country, or for the EEC, « a Member State ») provided that this traffic remains within ... (name of country or « this Member State »)'s territorial waters.

2. « Other forms of commercial presence for the supply of international maritime transport services » means the ability for international maritime transport service suppliers of other Members to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- (b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated services;
- (c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
- (d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);
- (e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;
- (f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3. « Multimodal transport operators » means the person on whose behalf the bill of lading /multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.
4. « Maritime cargo handling services » means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:
- the loading/discharging of cargo to/from a ship;
 - the lashing/unlashing of cargo;
 - the reception/delivery and safekeeping of cargoes before shipment or after discharge.
5. « Customs clearance services » (alternatively « customs house brokers' services ») means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.
6. « Container station and depot services » means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments.
7. « Maritime agency services » means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
- marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
 - acting on behalf of the companies organising the call of the ship or taking over cargoes when required.
8. « Freight forwarding services » means (the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information).

ANNEX 2 FACILITATING AIR TRANSPORT SERVICES

Ground-handling Services

Efficient ground-handling is essential to the proper functioning of air transport and competition between operators in this area ensures that proper use is made of air transport infrastructure. It helps reduce the operating costs of airlines and improves the quality of service for airport users.

For specialised groundhandling suppliers the following activities are requested:

Ground Administration – supervision and administration at the airport (CPC 7461);
Passenger Handling – assisting arriving, departing and transfer passengers (CPC 7461);
Baggage Handling – handling baggage in the sorting area (CPC 7461);
Freight and Mail Handling – physical handling of freight and mail, dealing with security and customs procedures (CPC 74110 (container handling services) and 74190 (other cargo handling services));
Ramp Handling – marshalling and moving the aircraft, loading and unloading of aircraft, transport of passengers, freight, supplies (CPC 7469).
Aircraft Services – cleaning the aircraft, heating and cooling, removal of snow and ice (CPC 7469);
Fuel and Oil Handling – organisation and provision of fuel and oil;
Aircraft Maintenance – covered specifically by the Annex as above;
Flight Operations and Crew Administration – preparation of the flight, inflight and post-flight assistance, crew administration;
Surface Transport – organisation and execution of transport within airport – except to and from aircraft;
Catering Services (CPC 6423).addressed under the EC request on tourism and travel related services

Airport management services

Airport management services constitute the core activities of airport services providers and cover: Airport operation services (excl. cargo handling), including passenger air terminal services and ground services on air fields, including runway operating services, on a fee or contract CPC 74610. Activities are also related to “other management consulting services” (CPC 86509) and activities separately specified under “other management services not elsewhere classified”(CPC 86609). A commitment will allow services suppliers to take an equity stake in - and engage in the overall operation and management of - airports when these are open for investments from private operators. Thereby it will bind existing common practices in the sector.

ENERGY SERVICES

EC REQUEST TO CHINA

This request includes services that are listed under the negotiating proposal of the EC (S/CSS/W/60). The work on the classification of these services is still underway. For this reason, some activities therefore lacks reference to CPC.

The EC wishes to underline the significant contribution of an appropriate use of energy for the promotion of sustainable development.

The EC requests that this area is committed as follows :

A. SERVICES RELATED TO EXPLORATION AND PRODUCTION

CPC 883: Services incidental to mining

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

CPC 511 and CPC 513: Construction and related engineering services

- Mode 3: MA – Wholly foreign-owned enterprises can only undertake four types of projects. **EC Request:** Remove these restrictions.

B. SERVICES RELATED TO THE CONSTRUCTION OF ENERGY SERVICES

B.1 Construction of energy facilities

CPC 513: Construction work for civil engineering

CPC 51340: For long distance pipelines, communication and power lines (cables)

CPC 51350: For local pipelines and cables; ancillary works

CPC 51360: For constructions for mining and manufacturing

- Mode 3: MA – Wholly foreign-owned enterprises can only undertake four types of projects. **EC Request:** Remove these restrictions.

B.2 Installation and assembly work

CPC 516: Installation and assembly work

- Mode 3: MA – Wholly foreign-owned enterprises can only undertake four types of projects. **EC Request:** Remove these restrictions.

C. SERVICES RELATED TO NETWORKS

C.1 Operation of transportation/transmission and distribution facilities

CPC 887: Services incidental to energy distribution (including operation of transmission/distribution of electricity)

This sub-sector is not committed. **EC Request:**

- Modes 3 : Take commitments
- Mode 4 : Commit as referred in the section "Horizontal commitments".

CPC 71310: Transportation of petroleum and natural gas

This sub-sector is not committed. **EC Request:**

- Modes 3 : Take commitments
- Mode 4 : Commit as referred in the section "Horizontal commitments".

E. SERVICES FOR THE SUPPLY OF ENERGY

E.1 Wholesale of energy products

Wholesale trade services of electricity

EC Request:

- Modes 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

E. 2 Retail Sale of energy products

Retail sale trade services of electricity

- Mode 3: Take commitments for the supply to industrial customers
- Mode 4: Commit as referred to in the section "Horizontal commitments"

E.3 Trading of energy products

EC Request:

- Modes 1, 2, 3 : Take full commitments for non-network energy products and commitments for network-energy products.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

E.4 Brokering of energy products

EC Request:

- Modes 1, 2, 3 : Take full commitments for non-network energy products and commitments for network-energy products.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

G. SERVICES RELATED TO DECOMMISSIONING

EC Request:

- Modes 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".