

## **GATS 2000**

### **REQUEST FROM THE EC AND ITS MEMBER STATES (HEREAFTER THE EC)**

**TO**

**ZIMBABWE**

#### **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 GATS, in particular Article IV and XIX GATS, as well as the negotiating guidelines agreed by the Council for Trade and Services on 29 March 2001, the EC encourages Zimbabwe 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, MFN exemptions and the following service sectors:

- Professional services
- Business services
- Telecommunication services
- Construction and related engineering services
- Distribution services
- Environmental services
- Financial services
- News Agency services

The EC proposes that Zimbabwe'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 schedules 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 commitments to promote regulatory disciplines in accordance with Article VI:4 of the GATS. The EC, however, reserves its right to address at any time to Zimbabwe 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). 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 energy services. While discussions on classification in these sectors are still ongoing, the EC would like to invite Zimbabwe 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 address: [TRADE-GATS-CONTACT-POINTS@cec.eu.int](mailto:TRADE-GATS-CONTACT-POINTS@cec.eu.int)), via the Delegation of the European Commission in Geneva, or directly to the 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 position on classification issues and to the EC's classification of their existing commitments.*

## HORIZONTAL COMMITMENTS

### EC REQUEST TO ZIMBABWE

#### **MODE 3**

Limitations applying to foreign investors seeking to acquire shares in companies listed on the Zimbabwe Stock exchange. **EC Request:** Remove limitations to share capital (25%). Remove limitation of 5% of shares per single investor.

Foreign investors bringing hard currency may invest a maximum of 15% of their assets in primary issues of bonds and stocks. **EC Request:** Clarify limitation.

#### **MODE 4**

The EC wishes to obtain commitments from Zimbabwe in relation to intra- corporate transferees and business visitors along the lines indicated below. The EC requests that no quantitative limitations, or measures with a similar effect, be applied to these two groups of Mode 4 supplier. Zimbabwe may wish to enter its Mode 4 commitments either in the horizontal section of its Schedule, or for each individual sector.

#### **Intra-corporate transferees**

An intra-corporate transferee (ICT) is an employee of a foreign firm, who is temporarily transferred to an affiliate of that firm (branch subsidiary, office, joint venture etc.) in Zimbabwe. **EC request:**

- Make a commitment without requesting an economic needs tests (sometimes also referred to as labour market testing) for Intra-corporate transfers of managers, executives and specialists (terms should be defined in the schedule). The minimum prior length of employment, the maximum length of stay, and the degree of affiliation which must exist between companies should be specified in the schedule.
- Make a similar commitment for « 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 »

## **Business Visitors**

A Business Visitor is a representative of a foreign services supplier who is seeking temporary entry into the territory of Zimbabwe for one of the following purposes: (a) to hold meetings and/ or to negotiate the sale of services; (b) to conclude contracts to sell services; or (c) to set up a Mode 3 presence. A Business Visitor does not himself directly provide services or sell to the public. Business Visitors are usually granted entry for 90 days periods at a time. **EC request:**

- Make a commitment relating to Business Visitors who are not entering to themselves supply a service, but rather to carry out one of the activities listed above. No restrictions should apply to the entry of Business Visitors and the maximum length of stay should be at least 90 days in any 12 month period.

*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 ZIMBABWE**

Zimbabwe has not committed this sector. The EC requests Zimbabwe to consider taking the following commitments:

#### **A. LEGAL SERVICES (CPC 861)**

- Commit covering at least consultancy on public international law and on law of jurisdiction where the service supplier or its personnel are qualified, lawyers
- Mode 3: Take full commitments, i.e. schedule "none" under MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

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

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

## **BUSINESS SERVICES (OTHER THAN PROFESSIONAL)**

### **EC REQUEST TO ZIMBABWE**

#### **B. COMPUTER AND RELATED SERVICES**

##### **Computer and Related Services (CPC 84)**

- 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".

#### **F. OTHER BUSINESS SERVICES**

##### **c) Management consulting service (CPC 865)**

##### **d) Services related to management consulting (CPC 866)**

For each of the above two sub-sectors:

- 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".

# TELECOMMUNICATION SERVICES

## EC REQUEST TO ZIMBABWE

A competitive telecommunications market reduces costs for industry and private users, and facilitates and improves communication between both businesses and individuals. This enables companies in all sectors to react more quickly and adequately to the needs of consumers, to gain efficiency, raise their productivity and provide more goods and services more efficiently and at a better price. In particular, investments in this sector stimulate the development of electronic commerce, which can spur growth in almost all services sectors, regardless of the level of development of the country.

However, in order to achieve a really competitive telecommunications market in terms of price and supply, an adequate regulatory framework must be put in place, along the lines of the reference paper drafted during the telecommunications negotiations concluded in 1997. Such a regulatory framework is the necessary catalyst, if properly enforced, for competition to bear fruit where it is allowed.

Zimbabwe has taken a number of commitments, mainly on “value-added services”. Accordingly the EC suggests that Zimbabwe take commitments in this sector

- first, by committing to open a number of sub-sectors to full competition and to unrestricted foreign investment, particularly data-transmission related services which provide the key infrastructure that benefits the rest of the economy. Thus the sub-sectors where commitments should be made as a matter of priority, pursuant to the classification used in the WTO, are the following:
  - Packet-switched data transmission services (CPC 7523\*\*)
  - Circuit-switched data transmission services (CPC 7523\*\*)

As regards voice services, the EC suggests to allow competition (i.e. the schedule should read “None” for market access and national treatment) at least in mobile services.

- second, by committing to the reference paper of the Basic Telecommunications negotiations, as additional commitments.

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The (\*\*) indicates that the service specified constitutes only a part of the total range of activities covered by the CPC concordance.

# **CONSTRUCTION AND RELATED ENGINEERING SERVICES**

## **EC REQUEST TO ZIMBABWE**

Zimbabwe has not committed this sector. The EC requests Zimbabwe to consider taking the following commitments:

### **A. GENERAL CONSTRUCTION WORK FOR BUILDINGS (CPC 512)**

### **B. GENERAL CONSTRUCTION WORK FOR CIVIL ENGINEERING (CPC 513)**

### **C. INSTALLATION AND ASSEMBLY WORK (CPC 514+516)**

### **D. BUILDING COMPLETION AND FINISHING WORK (CPC 517)**

### **E. OTHER (CPC 511+515+518)**

**EC Request** for each of the above sub-sectors:

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

## **DISTRIBUTION SERVICES**

### **EC REQUEST TO ZIMBABWE**

Zimbabwe has not committed this Sector. The EC requests Zimbabwe to consider taking the following commitments:

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

- 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**

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

*Note: The EC is prepared to discuss exceptions for a very limited number of extremely sensitive goods, such as arms, ammunitions and explosives.*

*Note: In accordance with the W120 classification the EC Request on “Repair services of personal and household goods”(CPC 633) is included under “I. Business services / F. Other business / n. Maintenance and repair”.*

# **ENVIRONMENTAL SERVICES**

## **EC REQUEST TO ZIMBABWE**

Zimbabwe has not committed this sector. 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 Zimbabwe 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 & WASTEWATER MANAGEMENT**

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

This sub-sector 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.

**EC Request:**

- Mode 3: The EC invites Zimbabwe to consider taking commitments for MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

**Wastewater services (CPC 9401)**

**EC Request:**

- Mode 3: The EC invites Zimbabwe to consider taking commitments for MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

### **B. SOLID/HAZARDOUS WASTE MANAGEMENT**

**Refuse disposal services (CPC 94020)**

- Mode 3: Consider taking commitments for MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

**Sanitation and similar services (CPC 94030)**

- Mode 3: Consider taking commitments for MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

### **C. PROTECTION OF AMBIENT AIR AND CLIMATE**

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

- Mode 3: Consider taking commitments for MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

## **D. REMEDIATION AND CLEANUP OF SOIL & WATER**

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

- Mode 3: Consider taking commitments for MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

## **FINANCIAL SERVICES**

### **EC REQUEST TO ZIMBABWE**

#### **INSURANCE**

- **EC Request:** Commit direct insurance (life and non-life) in mode 3.
- **EC Request:** Commit reinsurance and retrocession in mode 1.

#### **BANKING AND OTHER FINANCIAL SERVICES**

- Mode 3: MA – Foreign equity participation in financial institutions is bound at 60%. **EC Request:** Remove this cap.
- **EC Request:** Commit provision and transfer of financial information, and advisory and other auxiliary financial services in mode 1.

## **NEWS AGENCY SERVICES**

### **EC REQUEST TO ZIMBABWE**

Zimbabwe has not committed this sector (CPC 962). The EC invites Zimbabwe to consider taking the following commitments:

#### **EC Request (CPC 962):**

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