State of Play in Services under the GATS at WTO

1. India’s has been a demandeur in services. It has also offered substantial sectoral and modal coverage in its Initial Offer (January, 2004) and the first Revised Offer (August, 2005) of the ongoing Services negotiation. As a part of the plurilateral process, decided at the Hong Kong Ministerial Meeting, 22 plurilateral groups have been formed at the WTO in service sectors/areas. India has received plurilateral requests for greater liberalisation in 14 different services sectors, including Telecom, Finance, Maritime, Environment, Education, Air transport, Energy, Audio Visual and Retail. India is the coordinator of the plurilateral requests on Mode 1 (cross border supply) and Mode 4 (Movement of Natural Persons) - the core areas of its interest in the services negotiations - India is also a co-sponsor of plurilateral requests on Computer and Related Services (CRS) and Architectural, Engineering and Integrated Engineering Services.

2. The requests received by India for liberalisation of services cover all the major service sectors such as express delivery services, telecommunication services, audio visual services, financial services, distribution services, legal services, energy services, environmental services etc. and are in all modes of supply of service. The core interest of most of India’s trading partners, is in Mode 3, in which the request is either for binding the presently applicable FDI policy, or for offering a more liberal policy than is currently prevailing or for opening up new sectors.

3. Developed countries, particularly the US and the EC have not been forthcoming in offering substantial openings to our professionals in Mode 4. Even where these commitments have been offered, they lack in sectoral spread. The US has not made any improvements in its Offer on Mode 4 since the Uruguay Round. The US has also not offered any commitments in the categories of CSS and IP. Though the EC has offered commitments for CSS, its offer lacks sectoral spread. Other developed countries have also not offered substantial improvement in their commitments in Mode 4. Without adequate disciplines in Domestic Regulations, our Mode 4 access gets severely impeded. This crucial area has also not been effectively addressed by our trading partners in their Revised Offers. India has argued to strike a balance between the right to regulate and regulations becoming unnecessary barriers to trade. In the case of Mode 1 also not much improvement has been made by our trading partners in their Revised Offers.

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