

GATS 2000

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

TO

PAKISTAN

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 Pakistan 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 (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 Pakistan'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 its right to address at any time to Pakistan 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/or corresponding CPC number. If there is no appropriate classification, the schedule should contain a sufficiently detailed definition to avoid any ambiguity as to the scope of the environment. 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 Pakistan to present its offer in accordance with this approach.
- that any remaining limitation on market access (thereafter "MA") or on national treatment (thereafter "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), 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 positions on classification issues and to the EC's classification of their existing commitments.

HORIZONTAL COMMITMENTS

EC REQUEST TO PAKISTAN

MODE 3

Market Access (MA): Form of establishment restriction and maximum foreign equity participation of 51%. **EC Request:** Eliminate.

MA: Funding of representative offices and their role. **EC Request:** Clarify the restriction. The EC reserves the right to make a request in relation to this restriction in the light of Pakistan's response.

National Treatment (NT): Acquisition of real estate is subject to authorization on a case-by-case basis. **EC Request:** Eliminate.

MODE 4

Quantitative Restriction

50% limit on the number of foreign executives and specialists in any undertaking. **EC request:** Eliminate.

Intra-corporate transferees

- Degree of affiliation between companies which is required in order for a transfer to be covered by provisions on intra-corporate transferees is not clear. **EC request:** Clarify. Are all affiliated companies covered?
- Maximum length of stay not specified. **EC request:** Indicate in schedule.
- 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 specific commitment has been made. **EC request:** Make a commitment relating to Business Visitors who are not entering to themselves supply a service, but rather to either (a) establish a commercial presence or (b) negotiate and/or conclude sales contracts. Economic needs tests should not be applied. 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 Pakistan, who has obtained a service contract in Pakistan which requires the presence of its employees in Pakistan in order to fulfil that contract. **EC request:** Take commitments for natural persons working 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

Engineering Services

Integrated engineering services

Computer and Related Services

Management consulting services

Services related to management consulting

Related scientific and technical consulting services

6. Environmental Services

All sub-sectors

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

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 PAKISTAN

Pakistan 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. **EC Request:**

Commit covering at least consultancy on public international law and on law of jurisdiction where the service supplier or its personnel are qualified lawyers

- 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”

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

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

For accounting and bookkeeping services:

- 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”

For auditing services:

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

C. TAXATION SERVICES (CPC 863) AND

This sub-sector is not committed. **EC Request** for each of these 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”

E. ENGINEERING SERVICES (CPC 8672)

This sub-sector is not committed for the entire CPC 8672. **EC Request:** Extend sectoral coverage of commitments to the entire CPC

- Modes 1 and 2: MA and NT – These modes remain unbound. **EC Request:** Take full commitments, i.e. schedule “none” under MA and NT
- Mode 3: MA – Limit on foreign equity participation. **EC Request:** Eliminate.
- Mode 3: MA – Requirement to enter into partnership and/or joint venture with Pakistani engineers or engineering companies. **EC Request:** Eliminate.
- Mode 4: NT – This mode remains unbound. **EC Request:** Commit as referred to in the section “Horizontal commitments”

F. INTEGRATED ENGINEERING SERVICES (CPC 8673)

- Modes 1 and 2: MA and NT – These modes remain unbound. **EC Request:** Take full commitments, i.e. schedule “none” under MA and NT
- Mode 3: MA – Limit on foreign equity participation. **EC Request:** Eliminate
- Mode 3: MA – Requirement to enter into partnership and/or joint venture with Pakistani engineers or engineering companies. **EC Request:** Eliminate
- Mode 4: NT – This mode remains unbound. **EC Request:** Commit as referred to in the section “Horizontal commitments”

H. MEDICAL AND DENTAL SERVICES (CPC 9312)

This sub-sector is committed under Health and social services. **EC Request:** Bring these commitments under Professional services

The EC also invites Pakistan to consider taking commitments in the sub-sector of **architectural services.**

BUSINESS SERVICES (OTHER THAN PROFESSIONAL)

EC REQUEST TO PAKISTAN

B. COMPUTER AND RELATED SERVICES

This sector has only been partially committed. **EC Request:** Extend coverage to include CPCs 845 and 849 and schedule commitments at the two-digit level as follows:

Computer and Related Services (CPC 84):

- 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 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.

The following sub-sectors have not been committed. **EC Request:** Take commitments as follows:

- a) **Advertising (CPC 871)**
- b) **Market research and Public Opinion Polling (CPC 864)**
- c) **Management consulting services (CPC 865)**
- d) **Services related to management consulting (CPC 866)**
- m) **Related scientific and technical consulting services (CPC 8675)**
- n) **Maintenance and Repair of Equipment (not including transport equipment) (CPC 633 + 8861-8866)**

For each of the above 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".

l) Security Services (CPC 87302 – 87309)

This sub-Sector has not been committed. **EC Request:** Take commitments 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".

e) Technical testing and analysis services (CPC 8676)

- Mode 1: MA and NT: This mode remains unbound due to lack of technical feasibility. **EC Request:** Take full commitments, i.e. schedule “none” for MA and NT.

o) Building cleaning services (CPC 874)

Pakistan has not committed this sub-sector. **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”

Washing and Cleaning Services (CPC 97011-97014)

Pakistan has not committed this sub-sector. **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”

The EC also invites Pakistan to consider taking commitments on **Rental and Leasing Services (CPC 831)**, **Placement and supply services of personnel (CPC 872)**, **packaging services (CPC 876)**, **printing and publishing services (CPC 88442)**, and **translation services (CPC 87905)**, as well as improving existing commitments in **Research and Development Services (CPC 85)**.

POSTAL AND COURIER SERVICES

EC REQUEST TO PAKISTAN

Pakistan has not committed this sector. This request is based in the EC proposal for the classification of postal and courier services. Although discussions on classification in this sector are still ongoing, the EC would like to invite Pakistan 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.

EC request for sub-sectors B., C., E., F. and G.:

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

EC request for sub-sectors A. and D.:

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

TELECOMMUNICATION SERVICES

EC REQUEST TO PAKISTAN

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

ALL MODES

There are no commitments in electronic mail, voice mail, Electronic Data Interchange (EDI), Enhanced/Value-Added Facsimile Services and Code and Protocol Conversion. **EC Request:**

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

A number of provisions relate to domestic regulation normally not affecting market access or national treatment:

-“All services to be provided in Pakistan shall require a licence from the Regulatory authority established under the law.”

-“Operators and Service providers may be granted licence in accordance with the local legislation.”

-“The number of operators, service providers and licensees may be limited due to technical constraints”.

EC Request: remove these provisions in the schedule.

The schedule indicates that “The bilateral agreements on accounting rates shall be in accordance with ITU guidelines”. **EC Request:** clarify how cost-orientation (as mandated by ITU guidelines) has been reached for accounting rates.

The schedule also indicates that “The confidentiality of International Total Accounting Rate (TAR) shall be maintained”. **EC Request:** Eliminate. In accordance with the March 2001 Scheduling Guidelines, this does not need to be scheduled.

MODE 1 – CROSS-BORDER SUPPLY

NT – This mode is unbound for Voice telephone services, Packet-switched data, E-mail, Internet and Intranet services, Circuit-switched data transmission services and Private leased circuit services. **EC Request:** Take full commitments, i.e. schedule “None”.

MODE 2 – CONSUMPTION ABROAD

This mode is unbound for On-line information and data base retrieval. **EC Request:** Take full commitments, i.e. schedule “None” under MA and NT.

NT – This mode is unbound for Voice telephone services. **EC Request:** Take full commitments, i.e. schedule “None”.

MODE 3 – COMMERCIAL PRESENCE

NT – This mode is unbound for Voice telephone services, and Private leased circuit services. **EC Request:** Take full commitments, i.e. schedule “None”.

On-line information and data base retrieval and processing is subject to the use of Pakistan Telecommunication Corporation network. **EC Request:** Eliminate.

Additional commitments

Pakistan has taken on board only some of the principles of the Reference Paper of the Basic Telecommunications negotiations. **EC Request:** Commit fully to the reference paper of the Basic Telecommunications negotiations instead of the existing additional commitments.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

EC REQUEST TO PAKISTAN

The following sub-sectors have not been committed: **EC Request:** Take commitments as follows:

A. GENERAL CONSTRUCTION WORK FOR BUILDINGS (CPC 512)

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

D. BUILDING COMPLETION AND FINISHING WORK (CPC 517)

E. OTHER (CPC 511+515+518)

- 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. GENERAL CONSTRUCTION WORK FOR CIVIL ENGINEERING (CPC 513)

This Sub-sector is committed only for CPC 5132 and CPC 5133. **EC Request:** Extend sectoral coverage to the whole sub-sector CPC 513 and take commitments as follows:

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred to in the section “Horizontal commitments”.
- Mode 3: MA – Requirement for commercial presence through partnership and/or joint venture with Pakistani engineers or engineering companies **EC Request:** Eliminate.

DISTRIBUTION SERVICES

EC REQUEST TO PAKISTAN

This sector has not been committed. **EC Request:** Take commitments as follows:

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

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

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

D. FRANCHISING (CPC 8929)

For each of the above 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".

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 "1. Business services / F. Other business / n. Maintenance and repair".

ENVIRONMENTAL SERVICES

EC REQUEST TO PAKISTAN

This sector has not been committed. This request is based on the EC proposal for the classification of environmental services. Although discussions on classification in this sector are still ongoing, the EC would like to invite Pakistan 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, and does not imply access to water resources.

- Mode 3: Take commitments under MA and NT
- Mode 4: Commit as referred to 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 to 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 & ANCILIARY SERVICES

Other environmental protection services not classified elsewhere (CPC 94090)

For each of the above sub-sectors:

- Modes 1 (where technically feasible), 2 and 3: Undertake full commitments for market access and national treatment.
- Mode 4: Commit as referred to in the section “Horizontal commitments”.

FINANCIAL SERVICES

EC REQUEST TO PAKISTAN

Pakistan 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

- Insurance intermediation is not covered. **EC Request:** Take full commitments in modes 1 and 2 for intermediation of reinsurance and of MAT insurance in accordance with the Understanding, and in mode 3 for the whole sub-sector. Commit as referred to in the section “Horizontal commitments” in mode 4.
- Services auxiliary to insurance are not covered. **EC Request:** Take full commitments in modes 1, 2 and 3. Commit as referred to in the section “Horizontal commitments” in mode 4.
- Mode 3: NT is unbound in all subsectors. **EC Request:** Take full commitments.
- Mode 3: MA – In life insurance, limitation of foreign shareholdings to 25% in existing and 51% in new insurance companies. **EC Request:** Eliminate.
- Modes 1 and 2: MA and NT – Unbound in non-life insurance. **EC Request:** Commit MAT insurance in accordance with the Understanding.
- Mode 3: MA – In non-life insurance, bound only for existing providers. **EC Request:** Take full commitments
- Modes 2 and 3: MA and NT – Reinsurance is unbound, except for mode 1 in the market access column. **EC Request:** Take full commitments in all three modes.

BANKING AND OTHER FINANCIAL SERVICES

- MA - Reciprocity condition. **EC Request:** Eliminate.
- Certain subsectors are not covered, including trading for own account of derivative products and exchange rate and interest rate instruments, trading for account of customers of all kinds of negotiable instruments, participation in issues of certain categories of securities, money broking, settlement and clearing services for certain financial assets, pension fund management, and certain other auxiliary financial services. **EC Request:** Take full commitments in mode 3, i.e. schedule “none”, and commit as referred in the section “Horizontal commitments” in mode 4.
- Mode 3: NT is unbound in many subsectors. **EC Request:** Take full commitments, i.e. schedule “none”.
- Mode 3: MA – Bound only for the volume of deposits and assets at the level of 1997. **EC Request:** Eliminate this restriction.

- Mode 3: MA – Limits on foreign shareholding in new foreign banks, foreign exchange houses, leasing companies and asset management companies. **EC Request:** Eliminate all these caps.
- Mode 3: MA – Restrictions on the number of branches. **EC Request:** Eliminate these restrictions.
- Mode 3: MA – Prior permission to hold more than 5% of capital. **EC Request:** Remove this limitation.
- Mode 3: MA – Case by case approval for acquisition of a controlling share in a public sector bank. **EC Request:** Eliminate this requirement.
- Mode 3: NT – Discrimination on lending to companies controlled by non-residents. **EC Request:** Eliminate the discrimination.
- Mode 3: Prohibition on Government bodies and public sector corporations from maintaining their operating accounts with foreign banks. **EC Request:** Open these activities to foreign banks.
- Mode 4: MA – Prior clearance of the Central Bank for the employment of foreign nationals. **EC Request:** Eliminate this requirement.
- Mode 3: MA – Payment and money transmission, operations in call money market and participation in issues of securities are not committed for foreign banks branches set up after 1997. **EC Request:** Take commitments.
- Modes 1, 2 and 3: MA and NT – Provision and transfer of financial information is mostly unbound. **EC Request:** Take full commitments.

TOURISM AND TRAVEL RELATED SERVICES

EC REQUEST TO PAKISTAN

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

- Mode 2: MA and NT: This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none”.

B. TRAVEL AGENCIES AND TOUR OPERATORS SERVICES (CPC 7471)

- Modes 1 and 2: MA and NT: These mode remain unbound. **EC Request:** Take full commitments, i.e. schedule “none”.

C. TOURIST GUIDES SERVICES (CPC 7472)

This sub-sector has only been partially committed. **EC Request:** Extend sectoral coverage to include tourist guide services, and take commitments 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”.

NEWS AGENCY SERVICES

EC REQUEST TO PAKISTAN

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

EC Request (CPC 962):

- Modes 1, 2 and 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 PAKISTAN

This sector has not been committed. **EC Request:** Take commitments as follows:

A. MARITIME TRANSPORT

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 Pakistan:

- 6) Equipment. To facilitate planning of their businesses operators should be allowed to reposition their own equipment, such as empty containers, between ports of Pakistan, 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 Pakistan.”

- 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 own international cargo between ports of Pakistan. 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 Pakistan.”

In this context Pakistan 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/territory [or other relevant regional entity] remains excluded.

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

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

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

C. AIR TRANSPORT

1) Maintenance and repair of aircraft and parts thereof.

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

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

2) Selling and marketing.

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

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

3) Computer Reservation Systems.

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

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

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

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

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

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

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”

F. ROAD TRANSPORT

b) Freight Transportation (CPC 7123).

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”

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

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

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

H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT

b) Storage and Warehouse Services (CPC 742)

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

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

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

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

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to 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 |
|--|---|--|---|
| <p>TRANSPORT SERVICES MARITIME TRANSPORT SERVICES International Transport (freight and passenger) CPC 7211 and 7212 less cabotage transport (as defined below – 1)</p> | <p>1) (a) <u>Liner Shipping</u>: none (b) <u>Bulk, tramp, and other international shipping, including passenger transportation</u>: none</p> <p>2) None</p> <p>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</p> <p>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</p> | <p>1) (a) None (b) None</p> <p>2) None</p> <p>3) (a) Unbound</p> <p>(b) None</p> <p>4) (a) Unbound (b) Unbound except as in horizontal section</p> | <p>The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions</p> <ol style="list-style-type: none"> 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 |
|--|---|---|------------------------|
| <p>MARITIME AUXILIARY SERVICES Maritime Cargo Handling Services (as defined below – 4)</p> <p>Storage and warehousing Services CPC 742</p> <p>Customs Clearance Services (as defined below – 5)</p> <p>Container Station and Depot Services (as defined below – 6)</p> <p>Maritime Agency Services (as defined below – 7)</p> <p>(Maritime) Freight Forwarding Services (as defined below – 8)</p> | <p>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</p> <p>2) None</p> <p>3) None**</p> <p>4) Unbound except as in horizontal section</p> <p>1) Unbound*</p> <p>2) None</p> <p>3) None**</p> <p>4) Unbound except as in horizontal section</p> <p>1) Unbound*</p> <p>2) None</p> <p>3) None**</p> <p>4) Unbound except as in horizontal section</p> <p>1) Unbound*</p> <p>2) None</p> <p>3) None**</p> <p>4) Unbound except as in horizontal section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in horizontal section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in horizontal section</p> | <p>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</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in the horizontal section</p> <p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in the horizontal section</p> <p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in the horizontal section</p> <p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in the horizontal section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in the horizontal section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as in the horizontal section</p> | |

* 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 (as defined below - 3) 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] ... and another port located in ... [name of the country], traffic originating and terminating in the same port located in [name of country] provided that this traffic remains within ... [name of country]'s territorial waters and transportation of passengers and goods between a port located in ... [name of the country] ... and installations or structures situated on the continental shelf of [name of the country].

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 constituted 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 operation 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 – administration, storage, preparation and delivery of bar and food supplies (CPC 6423). [Catering is listed for only for information purposes as this activity is classified and committed by Pakistan as part of tourism 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 PAKISTAN

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

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 8675: Related scientific and technical consulting services

This sub-sector is not committed. **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".

CPC 511 and CPC 51360: Construction and related engineering services

These sub-sectors are not committed. **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".

B. SERVICES RELATED TO THE CONSTRUCTION OF ENERGY FACILITIES

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

These sub-sectors are not committed. **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".

B.2 Installation and assembly work

CPC 516: Installation and assembly work

This sub-sector is not 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".

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 for operation of networks not part of the integrated system.
- Mode 4: Commit as referred to 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 for operation of networks not part of the integrated system.
- Mode 4: Commit as referred to in the section "Horizontal commitments".

D. STORAGE SERVICES

CPC 74220: Bulk storage services of liquids or gases

This sub-sector is not 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".

E. SERVICES FOR THE SUPPLY OF ENERGY

E.1 Wholesale of energy products

CPC 62271: Wholesale trade services of solid, liquid and gaseous fuels and related products

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

- Mode 3: Take full commitments for solid and liquid fuels and related products, i.e. schedule "none" under MA and NT.
- Mode 4: Commit as referred to in the section "Horizontal commitments".

E.2 Retail sale of energy products

CPC 63297: Retail sale of fuel oil, bottled gas, coal and wood

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

- Mode 3: Take commitments.

- Mode 4: Commit as referred to in the section "Horizontal commitments".

E.3 Trading of energy products

EC Request:

- Modes 1, 2, 3: Take commitments.
- Mode 4: Commit as referred to in the section "Horizontal commitments".

E.4 Brokering of energy products

EC Request:

- Modes 1, 2, 3: Take commitments.
- Mode 4: Commit as referred to in the section "Horizontal commitments".

F. SERVICES FOR THE FINAL USE

F.1 Energy audit

CPC 86505: Production management consulting services

This sub-sector is not 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".

F.2 Energy management

CPC 86505: Production management consulting services

This sub-sector is not 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".

G. SERVICES RELATED TO DECOMMISSIONING

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".

MFN EXEMPTIONS

EC REQUEST TO PAKISTAN

BANKING AND OTHER FINANCIAL SERVICES

Foreign service promoters are granted licenses on the basis of reciprocity. **EC Request:** Eliminate.

Favourable treatment of financial institutions set up as joint ventures under the framework of ECO. **EC Request:** Clarify exemption, with reference to Article V GATS.

TELECOMMUNICATIONS

Exemption for bilateral agreements on reciprocity requirements with ECO member countries and Bangladesh. **EC Request:** Eliminate. None of the other countries involved have invoked a similar MFN exemption.

Exemption for countries covered by International Telecommunication Services Agreements between Pakistan Telecommunication Services Agreements and foreign operators. **EC Request:** Eliminate.

Exemption for neighbouring countries. **EC Request:** Eliminate.