

GATS 2000

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

TO

SOUTH AFRICA

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 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 South Africa 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
- Telecommunications 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 South Africa'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 South Africa 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 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 proposed in its negotiating proposal with regard to postal and courier, environmental and energy services. While discussions on classification in this sector are still ongoing, the EC would like to invite South Africa 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), 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 SOUTH AFRICA

MODE 3

Local borrowing by SA registered companies with a non-resident shareholding of 25% or more is limited. **EC request:** remove discriminatory treatment with regard to access to credit for companies with non-resident shareholding of more than 25%.

In addition, we are advised that lending from mother company to subsidiaries, as well as access to loans in local currency for foreign companies is restricted. The basis for these restrictions is unknown and they do not appear as a limitation in the South African scheduled commitments. **EC request:** Clarify the basis for these practices which seem to be discriminatory.

We are also informed that foreign companies are at times refused telephone connections. **EC request:** Remove these discriminatory practices.

MODE 4

Intra-corporate transferees

- The EC 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.

Contractual Service Suppliers

- A contractual service supplier is a juridical person with no commercial presence in South Africa, who has obtained a service contract in South Africa requiring the presence of its employees in South Africa 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
Architectural 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

Additional commitments

- Difficulties are experienced as a result of the requirement to obtain a police certificate of good behaviour in support of a work visa, as well as the requirement to obtain an affidavit from the absent spouse. The EC wishes to discuss the possibility of taking additional commitments to address these issues.

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 SOUTH AFRICA

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

A. LEGAL SERVICES (CPC 861)

- Modes 1 and 2: MA and NT – These modes remain unbound. **EC Request:** Take full commitments, i.e. schedule none, under MA and NT for consultancy on international public law and on law of jurisdiction where the service supplier or its personnel are qualified lawyers

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

- This sub-sector is not committed for accounting services (CPC 86212 other than auditing services, 86213 and 86219) and bookkeeping services (CPC 8622). **EC Request:** Extend sectoral coverage of commitments to this CPCs
- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule none, under MA and NT, for accounting and bookkeeping services
- Mode 2: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule none, under MA and NT, for the entire CPC 862
- Mode 3: NT – Citizenship requirement for accreditation. **EC Request:** Remove

D. ARCHITECTURAL SERVICES (CPC 8671)

- Modes 1 and 2: MA – Requirement of locally registered architect for building plans of 500 m2 and over. **EC Request:** Remove

BUSINESS SERVICES (OTHER THAN PROFESSIONAL SERVICES)

EC REQUEST TO SOUTH AFRICA

B. COMPUTER AND RELATED SERVICES

This sub-sector has only been partially committed. **EC request:** Extend coverage to include CPC and 849 and schedule commitments at the two-digit level – i.e. CPC 84.

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.

South Africa has not committed the following sub-Sectors. The EC requests that they be committed as follows :

a) Advertising (CPC 871)

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”.

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

South Africa appears to have limited its commitment to “engineering related scientific and technical consulting services”. **EC request:** Please clarify extent of existing commitment.

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

South Africa has not committed the sub-sectors 8861-8866. **EC request:** Extend sectoral coverage to these sub-sectors as follows:

- Mode 1,2,3: take full commitments, scheduled as “none” for MA and NT.
- Mode 4: Committed as indicated under the horizontal section.

The EC also invites South Africa to consider taking commitments on Research and Development services (CPC 85) and translation services (CPC 87905).

POSTAL AND COURIER SERVICES

EC REQUEST TO SOUTH AFRICA

South Africa 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 South Africa 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 SOUTH AFRICA

South-Africa has only partially committed this Sector. The EC requests that this Sector is committed as follows :

1- As regards non value-added services

These services are (a) Voice services, except over value-added networks (b) Packet-switched data transmission services, (c) Circuit-switched data transmission services, (d) Telex services, (f) Facsimile services, (g) Private leased circuit services, Paging services, Personal radio communication services, Trunked radio system services, Mobile Cellular, including mobile data, Satellite-based services:

ALL MODES

The services can only be supplied on a facilities basis. **EC request:** suppress this limitation. Indeed, the schedule already states that Liberalisation of resale services is to take place between 2000 and 2003.

MODES 1 AND 3

The number of operators is limited to two (three for Mobile Cellular). **EC request:** suppress this restriction.

MODE 3

Foreign investment in suppliers permitted up to a cumulative maximum of 30 per cent. **EC request:** suppress this ceiling.

ADDITIONAL COMMITMENTS

As regards interconnection rates with major suppliers, South Africa has introduced an amendment to the reference paper of the Basic Telecommunications negotiations. Indeed, additional commitments state that: The authorities may determine different rates in respect of different services rendered in different areas under different circumstances or may determine rates which may be higher or lower than the normal rates providing that the determination of such rates is done on a non-discriminatory basis. **EC request:** explain the rationale for such arbitrary rates.

2- As regards value-added services

Value added services cover, under South Africa's schedule, Electronic mail (CPC 7523), i) Voice mail (CPC 7523), j) On-line information and data base retrieval, (CPC 7523), k) Electronic data interchange (EDI) (CPC 7523), l)

Enhanced/value-added facsimile services, including store and forward, store and retrieve (CPC 7523), m) Code and protocol conversion.

MODES 1 AND 3

For all value-added services, there are limitations on the bypass of South African facilities for routing of domestic and international traffic. **EC request:** remove these restrictions.

For all value-added services, Telkom is acting as a de facto regulator by means of agreements entered into with VANS providers in South Africa. **EC request:** introduce a regulator that is independent of all operators, allow an unlimited number of operators and, if licences are necessary, a licensing regime that abides by the principle of the reference paper (in short extend the reference paper to value-added services).

VANS providers can only provide international services with the consent of Telkom SA Ltd. **EC request:** remove this limitation.

MODE 2 – CONSUMPTION ABROAD

There is no commitment on market access for value-added services. **EC request:** Make full commitments for all these sub-sectors, i.e. schedule “None” on market access.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

EC REQUEST TO SOUTH AFRICA

GENERAL

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

E. OTHER (CPC 511+515+518)

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”.

Note : "MA" refers to commitments scheduled under the "Market Access" column. "NT" under the "National treatment" column.

DISTRIBUTION SERVICES

EC REQUEST TO SOUTH AFRICA

South Africa 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)

This sub-sector 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".

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

The distribution of motor vehicles (CPC 6111+6113+6121) 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 motor fuel (CPC 613) 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".

ENVIRONMENTAL SERVICES

EC REQUEST TO SOUTH AFRICA

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 South Africa 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: Extend sectoral coverage to include the above services.

- 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 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 & ANCILLARY SERVICES

Other environmental protection services not classified elsewhere (CPC 94090)

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

- Remove limitation of all commitments to consultancy services only, and for modes 1 (where technically feasible), 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

FINANCIAL SERVICES

EC REQUEST TO SOUTH AFRICA

South Africa 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 and NT – Unbound in all subsectors. **EC Request:** Take full commitments in reinsurance and MAT insurance (including intermediation) in accordance with the Understanding.
- Mode 3: MA – Discretionary authorisation required for acquisitions in excess of 25% in locally incorporated insurance companies. **EC Request:** Eliminate this requirement.
- Mode 3: MA – Direct branching is not committed in any subsector. **EC Request:** Commit direct branching.
- Mode 3: MA – Residency requirement applying to executive chairpersons, public officer, and the majority of directors and life insurance actuaries.
- **EC Request:** Remove residency requirement.
- Mode 3: NT – In reinsurance existence of discriminatory solvency requirements. **EC Request:** Clarify why this discrimination has not been scheduled.

BANKING AND OTHER FINANCIAL SERVICES

- Pension fund management is 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.
- Modes 1 and 2: MA and NT – Unbound, except for provision and transfer of financial information and financial data processing in mode 2 in the market access column. **EC Request:** Take full commitments in modes 1 and 2 for provision and transfer of financial information and financial data processing, and for advisory and other auxiliary financial services, and in mode 2 for all the other subsectors.
- Mode 3: NT – Discriminatory capital requirements affecting foreign banks operating as branches. Parent company must have capital of US\$ 400 million (group: US\$1 billion), and a minimum individual deposit of 1 million Rand. **EC Request:** Remove discriminatory capital requirements.
- Mode 3: Foreign banks’ branches are not allowed to use parent’s capital to meet prudential requirements, even if their home country regulation and supervision has implemented Basle or equivalent standards. **EC Request:** Allow foreign banks’ branches to use parent’s capital.

- Mode 3: Regulation on branch capital: the guarantee granted by the branch's head office or by another foreign bank for additional lending volume is not taken into account. **EC Request:** Take into account the guarantee extended by the branch's head office or by another foreign bank for additional lending volume.
- Mode 3: Prohibition on foreign banks from using global capital as open exchange position (net open foreign currency position limited to 15% of branch capital and reserves). **EC Request:** Remove restrictions on dealings in foreign exchange.
- Mode 3: MA– Application of foreign exchange controls, including placing limits on foreign currency dealings, which restricts offshore arbitrage. **EC Request:** Remove restrictions on dealings in foreign exchange.
- Mode 3: MA – Foreign banks are restricted to holding 49% of the equity of any seat on the JSE. **EC Request:** Clarify why this limitation has not been scheduled.

MFN EXEMPTION

- South Africa maintains an MFN exemption under which Members of the Common Monetary Area enjoy preferential access to the South African capital and money markets, and the transfer of funds, to and from the area of any other member of the CMA, is exempt from exchange controls. **EC Request:** Clarify measures and extent to which preferential access to capital and money markets for the members of the CMA is granted.

TOURISM AND TRAVEL RELATED SERVICES

EC REQUEST TO SOUTH AFRICA

South Africa 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)

Current commitments seem to be restricted to CPC 641. **EC request**

- Extend sectoral scope to include all restaurant services (CPC 642-643) and undertake full commitments in mode 1, 2 and 3 for MA and NT.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

NEWS AGENCY SERVICES

EC REQUEST TO SOUTH AFRICA

South Africa 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 SOUTH AFRICA

A. MARITIME TRANSPORT

South Africa has no specific commitments for 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 South Africa:

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

- 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 maritime transport. An international maritime transport supplier should be allowed to operate feeder services for its own international cargo between ports of South Africa. This is requested to be committed in a new footnote:

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

In this context South Africa may wish to take one or more of the following principles into consideration:

- 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).

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

South Africa has no commitments for air transport

1) Maintenance and repair of aircraft and parts thereof.

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)

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”

MFN EXEMPTION: ROAD TRANSPORTATION

South Africa has a MFN-exemption for measures under regional bilateral and plurilateral road transport agreements providing for the transport rights to carry goods and passengers to or from South Africa and between third countries concerned, to be reserved for the road transport operators of the contracting parties to existing and future agreements. Cabotage restricted to South African registered vehicles and operators.

EC request: Limit exemptions to relevant measures (for example taxation issues and country of registrations for vehicles).

H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT

b) Storage and Warehouse Services (CPC 742)

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”

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

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

A. SECTOR OR SUB-SECTOR	B. LIMITATION ON MARKET ACCESS	Limitations on National Treatment	C. ADDITIONAL COMMITMENTS
<p>TRANSPORT SERVICES MARITIME TRANSPORT SERVICES International Transport (freight and passenger) CPC 7211 and 7212 <u>less</u> 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 (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</p> <p>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).

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 SOUTH AFRICA

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 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 8675: Related scientific and technical consulting services

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: Construction and related engineering services

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".

C. SERVICES/RELATED TO NETWORKS

C.1 Operation of transportation/transmission and distribution facilities

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".

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

E.2 Retail Sale of energy products

Retail sale trade services of electricity

EC Request:

- Modes 3 : Take commitments for the supply to industrial customers.
- Mode 4 : Commit as referred 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".

MFN EXEMPTIONS

EC REQUEST TO SOUTH AFRICA

MFN exemption for road transport: Refer to request on road transport.

MFN exemption financial services: Refer to request on financial services.