



TRAINING COURSE ON TRADE IN SERVICES NEGOTIATIONS 31 March-1 April 2016

Session 7: The treatment of investment in services trade liberalization

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Points to cover

- ✓ Definition of Mode 3
- ✓ Treatments in the GTAS
- \checkmark Investment trends in Asia and the Pacific
- ✓ International Agreements
- √ISDS

Mode 3

Commercial presence implies that a service supplier of one Member establishes a territorial presence, including through ownership or lease of premises, in another Member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains).

Provisions in the GATS

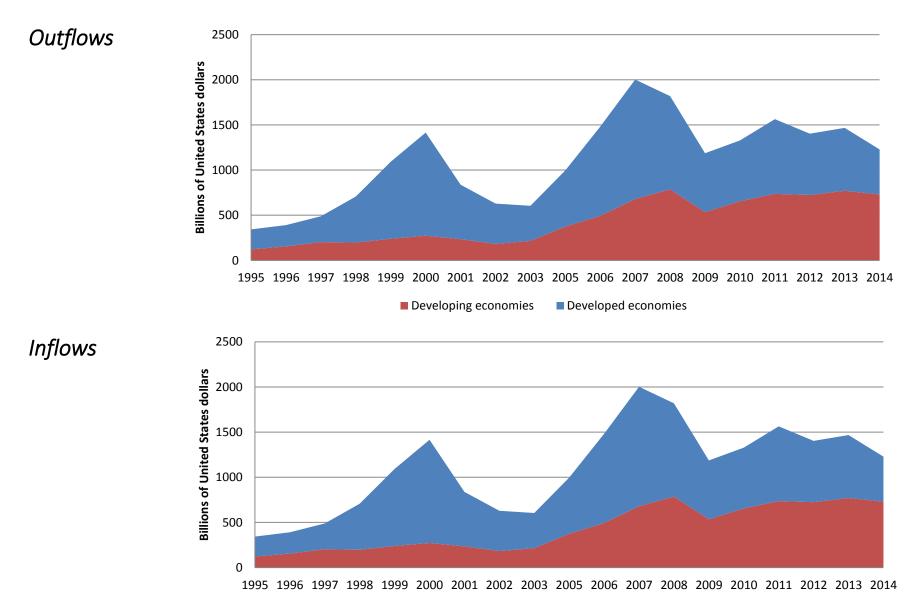
National Treatment: A commitment to national treatment implies that the Member concerned does not operate discriminatory measures benefiting domestic services or service suppliers. The key requirement is not to modify, in law or in fact, the conditions of competition in favour of the Member's own service industry. Again, the extension of national treatment in any particular sector may be made subject to conditions and qualifications.

Members are free to tailor the *sector coverage* and substantive content of such commitments as they see fit. The commitments thus tend to reflect national policy objectives and constraints, overall and in individual sectors. While some Members have scheduled less than a handful of services, others have assumed market access and national treatment disciplines in over 120 out of a total of 160-odd services.

The existence of *specific commitments* triggers further obligations concerning, *inter alia*, the notification of new measures that have a significant impact on trade and the avoidance of restrictions on international payments and transfers.

Investment flows important for AP Economies

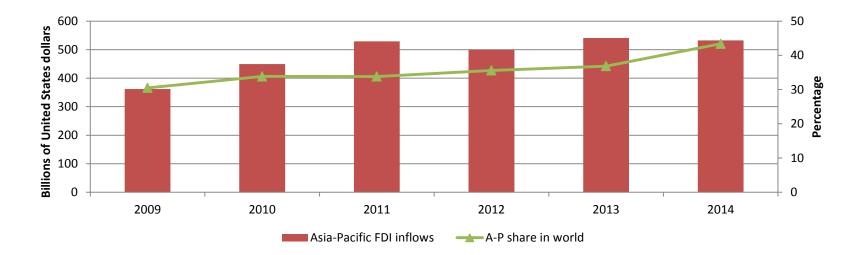
FDI Flows

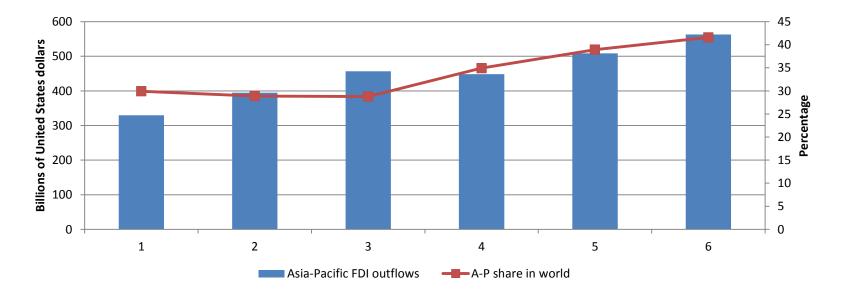


Source: APTIR 2015

Developing economies
Developed economies

FDI in Asia and the Pacific





Source: APTIR 2015

Inward FDI as a %of GDP, selected economies

