



Gains from "Mode 4"

- Welfare gains estimated at \$US 150 to 300 bn.
 - (OECD 3 % of total workforce);
- Actual remittances \$US 170 bn 2005
 - could be about US\$259 bn (if informal flows)
- Chart:
- U Tw(U0 TD0.0006 Tc-0.TD0.. 97.26 t4g1 97.26 Tm4 g1.35144")infor

“Mode 4” of the GATS

- One of the WTO Agreements: General



“Mode 4” of the GATS, cont.

- Annex (to GATS): defines “natural persons” as:
 - *service suppliers* of a Member (self-employed);
 - *employees of a service supplier* (i) as intra-corporate transferees or (ii) employee of a company outside the territory of another Member;
- GATS addresses “temporary movement”:
 - e.g., not access to employment market;
- GATS does not a-priori exclude:
 - any occupation or
 - any skill level;
- Governments free to regulate entry & (temp.) stay
 - provided these measures do not “nullify or impair” the commitments.



“Mode 4” Offers: “Quad”

- Improvements mainly:
 - high-skilled & M3-related;
- IP (independent professionals):
 - limited sectoral application of commitments;
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 -



Hong Kong Ministerial Declaration

On Mode 4:

- New or improved commitments on existing categories, incl. de-linked from CP;
- Removal or substantial reduction of ENTs;
- Indication of prescribed duration of stay & possibility of renewal;

Concerns about “imbalance”.





LDC Group Request

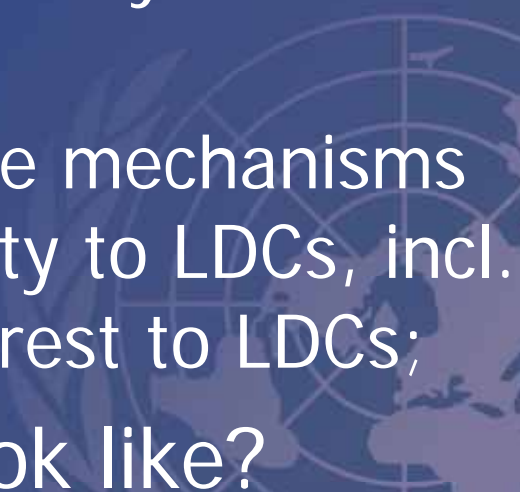
Rationale for request:

- few schedules w. commitments on low-skilled;
- hardly any possibility for competence & demonstrated experience to substitute formal qualification requirements;

Request includes: definitions, MA cond., sectors

- focus on MA in four categories:
 - (1) independent professionals;
 - (2) business visitors;
 - (3) contractual service suppliers;
 - (4) others, including installers, servicers, graduate trainees, artists, sportsmen or fashion models.

LDC Mechanism for Special Priority

- Why such a mechanism?
 - What is the basis?
 - GATS Article IV: Special priority shall be given to LDCs;
 - HKMD: develop appropriate mechanisms for according special priority to LDCs, incl. to sectors & modes of interest to LDCs;
 - How could mechanism look like?
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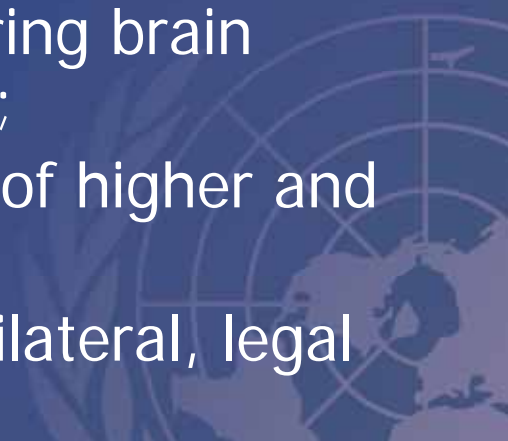
GATS Negotiations on Domestic Regulation



- Why disciplines on domestic regulation?
 - QR particularly relevant for M4 & systematically;
- What is the basis?
 - Article VI:4 mandate that: measure relating to qualification requirements & procedures,....do not constitute unnecessary barriers to trade in services..
- Concern?
 - will WTO constrain (replace) regulations & regulatory frameworks put in place by governments?

Can Mode 4 Further the Benefits of Economic Migration?

Maybe GATS could help, through its very nature of:

- a) covering services activities (significant because of sheer size of sector);
 - b) focussing on temporary movement (alleviating immigration related fears & furthering brain circulation rather than brain drain);
 - c) covering both categories, those of higher and those of lower skilled individuals;
 - d) by placing movement on a multilateral, legal footing.
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Thank you for your attention!



Elisabet.Tuerk@unctad.org
trade.negotiations@unctad.org