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SERVICES
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GATS 2000

Request from the EC and its Member States (hereinafter the EC)

to

The Philippines

General remarks

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 (banking, insurance, securities, other)
- Tourism and travel related services
- News agency services
- Transport (air, maritime, land, other) services
- Energy

The EC proposes that current GATS commitments of the Philippines 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.

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 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.
- 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 contact point, via the Delegation of the European Commission in Geneva, or at the following EC officials in Directorate-General Trade Unit D2 (Trade in services, including e-commerce) :

Country Desk Officer:	Soeren Jakobsen Tel : 32-2-296 2571 e-mail : soeren.jakobsen@cec.eu.int
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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 the Philippines

Mode 3

- Participation of foreign investors is limited in certain expressly reserved activities reserved by law to Philippine citizens (MA). **EC request:** Eliminate this restriction.
- Acquisitions of land (MA) require 60% local capital. Foreign investors may lease only private owned land. **EC request:** eliminate or set exemptions for services bound in specific commitments.

Mode 4

General

- Entry permitted only if there is no available Philippine citizen to fulfil the post. **EC request :** Eliminate.

Additional commitments

- Difficulties are experienced as a result of the length of time taken to process work permits. The EC wishes to discuss the possibility of taking additional commitments to address this issue.

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 the Philippines

The Philippines has not committed this sector. The EC requests that this sector is committed as follows:

a) Legal Services (CPC 861)

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)

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)

d)Architectural services (CPC 8671)

e) Engineering services (CPC 8672)

f) Integrated engineering services (CPC 8673)

g) Urban planning and landscape architectural services (CPC 8674)

EC Request 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”

BUSINESS SERVICES (other than Professional Services)

EC Request to the Philippines

B. Computer and Related Services :

General

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

In view of the rapid technological advances which have taken, and continue to take place, in this sub-sector, the EC proposes to seek clarification at a multilateral level as to what services are considered to be covered under CPC Prov 84.

C. Research and Development Services :

The Philippines has not committed this Sector. The EC requests that it be committed as follows :

a. R&D Services on natural sciences (CPC 851)

c. Interdisciplinary R&D services. (CPC 853)

For each of the above sub-sectors :

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

D. Real Estate Services :

The Philippines has not committed this Sector. The EC requests that it be committed as follows :

a. Involving own or leased property (CPC 821)

b. On a fee or contract basis (CPC 822)

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".]

E. Rental and Leasing Services without Operators :

The following sub-sector is covered under the Philippines transport commitments, but should be moved to “Business Services” :

a. Relating to ships (CPC 83103)

In addition, Mode 3: MA – authorization requirement for charters. **EC request:** Eliminate.

The Philippines has not committed the following sub-sectors. The EC requests that they be committed as follows :

c. Relating to other transport equipment (CPC 83101 + 83102 + 83105)

d. Relating to other machinery (CPC 83106 – 83109)

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".

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.*

The Philippines has not committed this Sector. The EC requests that it be committed as follows :

a. Advertising (CPC 871)¹

b. Market research and Public Opinion Polling (CPC 864)

c. Management consulting services (CPC 865)

d. Services related to management consulting (CPC 866)

e. Technical testing and analysis services (CPC 8676)

k. Placement and supply services of personnel (CPC 872)²

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

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

q. Packaging Services (CPC 876)

r. Printing and Publishing Services (CPC 88442)

s. Convention Services (part of CPC 87909)

t. Other (CPC 8790)

¹ NB. Foreign ownership of advertising agencies limited to 30% (Philippines Constitution, Section 11, Article XVI). All executive and managing offices must be Philippine citizens.

² Foreign equity limit of 25% - Article 27 of Presidential Decree (PD) 449.

Translation Services (CPC 87905)

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".

I. Security Services (CPC 87302 – 87309)³

- 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".

³ *Foreign equity investments prohibited – Section 4 of Republic Act (RA) 5487*

POSTAL AND COURIER SERVICES

EC Request to the Philippines

This request includes sub-sectors that are listed under the negotiating proposal of the EC (S/CSS/W/61). The work on the revision of classification of this sector is still underway. For this reason, the sub-sectors lack reference to CPC.

The Philippines has only partially committed this sector (commitments in courier services). The EC requests the Philippines to commit this sector as follows, based on the EC proposal for the revised classification of postal and courier services:

Services relating to the handling⁴ of postal items⁵, whether for domestic or foreign destinations:

A. Handling of addressed written communications on any kind of physical medium⁶, including:

- Hybrid mail services

- Direct mail

B. Handling of addressed parcels and packages⁷

C. Handling of addressed press products⁸

D. Handling of items referred to in A. to C. above as registered or insured mail.

E. Express delivery services⁹ for items referred to in A. to C. above.

F. Handling of non-addressed items.

G. Document exchange.

H. Other services not elsewhere specified.

⁴ The term “handling” should be taken to include clearance, sorting, transport and delivery.

⁵ “Postal item” refers to items handled by any type of commercial operator, whether public or private.

⁶ E.g. letter, postcards.

⁷ Books, catalogues are included hereunder.

⁸ Journals, newspapers, periodicals.

⁹ 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 ».

The Philippine's current commitments :

Market access :

- Mode 1 : « Commercial presence is required». **EC request** : Delete restriction, schedule « None ».

Telecommunication Services

EC Request to the Philippines

The Philippines have only partially committed this Sector. The EC requests that this Sector is committed as follows :

All Modes

There are no commitments in private leased circuit services, Electronic mail, , enhanced/value-added facsimile services, incl. store and forward, store and retrieve, code and protocol conversion. **EC request:** Make full commitments for all these sub-sectors, i.e. schedule “None”.

Services can be offered only on a facilities basis. **EC request:** Remove this restriction.

The services concerned are: Voice telephone services, Telegraph Services, Telex Services, Packet-switched data transmission services, Circuit-switched data transmission services, Facsimile services and Cellular Mobile Telephone Service

Remove the prohibition of resale of private leased lines.

Remove the obligation for Authorized international gateway and mobile cellular telephone service providers to install a set number of local exchange lines in designated areas.

Mode 1 -Cross-border supply

For Voice mail, On-line information and data base retrieval, Electronic data exchange and Videotex, services can be provided “only through duly enfranchised and certificated domestic public telecommunications carriers”.

EC request: Remove this provision.

For some services, market access is unbound. The services concerned are: Voice telephone services, Telegraph Services, Telex Services, Packet-switched data transmission services, Circuit-switched data transmission services, Facsimile services, Cellular Mobile Telephone Service. **EC request:** Make full commitments for all these sub-sectors, i.e. schedule “None” for market access.

Mode 2 -Consumption abroad

For some services, market access is unbound under mode 2. The services concerned are: Voice telephone services, Telegraph Services, Telex Services, Packet-switched data transmission services, Circuit-switched data transmission services, Facsimile services, and Cellular Mobile Telephone Service. **EC request:** Make full commitments for all these sub-sectors, i.e. schedule “None” for market access.

Mode 3 -Commercial presence

For some services, operation is subject to securing of: i)a Franchise from the Congress of the Philippines, ii) a Certificate of Public Convenience and Necessity (CPCN) from the National Telecommunications Commission. Remove the obligation to get a Certificate of Public Convenience and Necessity. The services concerned are: Voice telephone services, Telegraph Services, Telex Services, Packet-switched data transmission services, Circuit-switched data transmission services, Facsimile services, Cellular Mobile Telephone Service, Voice mail, On-line information and data base retrieval, Electronic data exchange and Videotex. **EC request:** Remove this requirement in the schedule as it should not affect market access or national treatment.

For some services, foreign equity is permitted up to 40%. The services concerned are: Voice telephone services, Telegraph Services, Telex Services, Packet-switched data transmission services, Circuit-switched data transmission services, Facsimile services, and Cellular Mobile Telephone Service. **EC request:** Remove this ceiling.

For some services, Resale of private leased lines is not allowed. The services concerned are: Voice telephone services, Telegraph Services, Telex Services, Packet-switched data transmission services, Circuit-switched data transmission services, Facsimile services, and Cellular Mobile Telephone Service. **EC request:** Remove this prohibition.

For some services, “Call back, dial back and other similar schemes which result in the same operation are not authorized”. The services concerned are: Voice telephone services, Telegraph Services, Telex Services, Packet-switched data transmission services, Circuit-switched data transmission services, Facsimile services, and Cellular Mobile Telephone Service. **EC request:** Remove this prohibition.

For the same services, there is a provision that provision of services is “Subject to the availability and efficient utilization of radio frequencies”. **EC request:** Remove this provision.

For the same services, the number of non-Filipino citizens in the Board of Directors of an entity needs to be proportionate to the aggregate share of foreign capital of that entity. **EC request:** Remove this restriction to national treatment.

For the same services, all executives and managers need to be citizens of the Philippines. **EC request:** Remove this restriction to national treatment.

Additional commitments

The Philippines have amended in some parts the reference paper of the Basic Telecommunications negotiations when including it in their schedule as additional commitments. **EC Request:** Commit fully to the reference paper of the Basic Telecommunications negotiations.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

EC Request to the Philippines

General

The Philippines has not committed this Sector. The EC requests that this Sector is committed as follows :

All sub-sectors (CPC 511 to CPC 518)

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

DISTRIBUTION SERVICES

EC Request to the Philippines

Philippines has not committed this Sector. The EC requests that this Sector is committed 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".
- Mode 4 : Commit as referred 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 the Philippines

The Philippines has not undertaken commitments in environmental services. The EC requests the Philippines to commit the following subsectors, based on the EC proposal for 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
- Waste water services (CPC 9401)

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-sectors :

- Modes 1 (where technically feasible), 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Refer to horizontal commitments.

FINANCIAL SERVICES

EC Request to the Philippines

General

- The Philippines have not yet accepted the Fifth protocol. **EC Request:** Ratify.
- **EC Request:** Undertake commitments in accordance with the Understanding on Commitments in Financial Services.
- **EC Request:** Follow the classification of the Annex on Financial Services.
- Mode 3: MA and NT - Economic needs test. **EC Request:** Eliminate the test.

Insurance

- Modes 1 and 2: MA and NT – Restrictions on MAT insurance, reinsurance and services auxiliary to insurance. **EC Request:** Remove the restrictions.
- Mode 3: MA and NT - Foreign share in insurance companies is capped at 51%. **EC Request:** Eliminate the cap.
- Mode 3: MA - New insurance licences are limited to five.
EC Request: Remove this limitation.
- Mode 3: MA and NT - Branching is allowed in domestic legislation but not committed. **EC Request:** Take full commitments.
- Mode 3: MA - Insurance intermediation is not committed. **EC Request:** Take full commitments
- Mode 3: MA and NT - Priority cession requirements in reinsurance (10% to National Re., even in case of authorised insurers). **EC Request:** Eliminate priority cession requirements.
- Mode 3: MA and NT - Access of foreign insurers to business in all BOT and privatisation projects is not committed. **EC Request:** Take full commitments.
- Mode 3: MA - Limitation of the number of non-citizens on domestic companies' Boards to one third. **EC Request:** Remove this limitation.

Banking and other financial services

- Provision and transfer of financial information and financial data processing is not committed. **EC Request:** Take full commitments in modes 1, 2 and 3, and commit as referred in the section “Horizontal commitments” in mode 4.

- Mode 3: MA and NT - Limited number of licences for full-services branches of commercial banks. **EC Request:** Eliminate this limit.

- Mode 3: MA and NT - Shareholding of foreign banks, including investment banks, in an existing bank or new joint venture is limited to 40%. Foreign shareholding in non-banks providing consumer finance, financial leasing, factoring, credit cards, etc. is limited to 40%. **EC Request:** Suppress those caps.

- Mode 3: MA and NT - Discriminatory limits, denying national treatment, on opening additional bank branches for foreign institutions.
EC Request: Eliminate the discrimination.

- Mode 3: MA - Requirement of unspecified criteria in order to authorise certain functions of commercial and investment banks. **EC Request:** Specify criteria.

- Mode 3: MA and NT - Restriction on dealing in domestic currency applied to offshore units of foreign banks. **EC Request:** Remove the restriction.

- Mode 3: MA and NT - Requirement that only capital converted into local currency can be used in the ratio for Overbought/Oversold limits.
EC Request: Remove the requirement.

- Mode 3: MA and NT - Restriction applied to foreign banks for use of “Net Due to Head Office” to 4:1 ratio to assigned capital. **EC Request:** Remove the restriction.

- Mode 3: MA and NT - Restrictions on banks with Expanded Commercial Banking licences in owning local institutions (while this applies to all banks, it bears more heavily on foreign ones). **EC Request:** Remove the restrictions.

- Mode 3: NT - 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 such a possibility.

- Mode 3: MA and NT - Restriction applied to foreign portfolio investment in securities market. **EC Request:** Remove the restriction.

- Mode 3: MA and NT - Foreign shareholding in non-banks providing asset management is limited to 40%. **EC Request:** Eliminate this cap.

- Mode 3: MA and NT - Limitation applied to foreign brokers and dealers to use “best efforts” underwriting. Underwriting may only be performed by duly licensed investment houses or banks with investment banking licences. **EC Request:** Remove this limitation.

- Mode 3: MA and NT - Prohibition of foreign investment in certain industries. **EC Request:** Remove this prohibition.

- Mode 3: MA and NT - Limitation of foreign participation in the domestic mutual fund industry. **EC Request:** Eliminate this limitation.

MFN exemption

- Banking and Insurance – Reciprocity condition. **EC Request:** Remove the reciprocity condition.

TOURISM AND TRAVEL RELATED SERVICES

EC Request to the Philippines

The EC suggests to the Philippines to make reference to tourism and travel related services as classified in W/120 and refer to the relevant CPC codes.

A. Hotels and restaurants (incl. catering) (CPC 641-643)

Tourism accommodation facilities

Mode 3:

Market access: Remove foreign equity limitation of 40% for certain forms of accommodation facilities.

Specialty Restaurants:

Extend coverage to include all restaurant services, and undertake full commitments.

Mode 3: Allow foreign equity participation also for restaurants not being part of the facilities of a hotel.

B. Travel agencies and tour operators services (CPC 7471)

Extend coverage to include also tour operator services, and undertake full commitments.

Mode 1

Market access: Remove requirement of commercial presence for the provision of travel agency services.

Mode 3

Market access: Remove foreign equity limitation of 40% .

C. Tourist guides services (CPC 7472)

Extend sectoral coverage to include tourist guide services, and undertake full commitments

D. Other

Professional congress organisers

Mode 3

Market access: Remove foreign equity limitation of 40%.

NEWS AGENCY SERVICES

EC request to the Philippines

The Philippines 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 the Philippines

The Philippines have made commitments in transport, with a general restriction on public utilities (minimum 60% local capital) and on time limitations for technical positions, and request of local understudies.

A. Maritime transport

The Philippines has specific commitments with certain restrictions for maritime transport. Restrictions relate in particular to government cargoes. No auxiliary or port services are committed.

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 the Philippines:

- 6) Equipment. To facilitate planning of their businesses operators should be allowed to reposition their own equipment, such as empty containers, between ports of Philippines, 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 the Philippines.”
- 7) International cargo. Notwithstanding the general exclusion of “cabotage” in the definitions of the model schedule (see Annex 1) an international maritime transport supplier should be allowed to operate feeder services for its own international cargo between ports of the Philippines. This is requested to be committed in a new footnote:
“10. Notwithstanding the exclusion of “cabotage” in definition 1 above international maritime transport suppliers can operate vessels for the purposes of pre- and onward carriage of the international cargo between ports of the Philippines.”

In this context the Philippines 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/chartered city [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.

B. Internal waterways:

- c) 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 referred in the section “Horizontal commitments”

C. Air transport

The Philippines has commitments for repair and maintenance of aircraft and parts thereof.

- 1) 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”

- 2) 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”

- 3) 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”

4) 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

The Philippines has commitments for road transport (passengers, freight and maintenance and repair).

b) Freight Transportation (CPC 7123).

The Philippines has commitments for this activity with a restrictions on Mode 3 (authorisation and economic needs tests)

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”

H. Services Auxiliary to All Modes of Transport

The Philippines has commitments for these auxiliary services, where only restrictions are those genera to all transport. CPC references are not committed.

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”

MFN-exemptions

The Philippines has a MFN-exemptions where cabotage transport and access to domestic shipping is reserved for Philippine owned or registered vessels, and measures allow limited access to domestic shipping is granted to countries with which the Philippines has concluded agreements on Amity, Commerce and Navigation.

EC request: Consider to limit or specific in the context of ECrequests for maritime transport and in particular opening for feeder services

Annex 1: SCHEDULE ON MARITIME TRANSPORT SERVICES

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
TRANSPORT SERVICES MARITIME TRANSPORT SERVICES International Transport (freight and passengers) CPC 7211 and 7212 <u>less</u> cabotage transport	1) (a) <u>Liner Shipping</u> : none (b) <u>Bulk, tramp, and other international shipping, including passenger transportation</u> : none	1) (a) None (b) None	The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions 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 1) See note
TRANSPORT SERVICES MARITIME TRANSPORT SERVICES International Transport (freight and passengers) CPC 7211 and 7212 <u>less</u>	2) None	2) None	

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
cabotage transport (cont.)	<p>3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: unbound</p> <p>(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</p> <p>(b) Key personnel employed in relation to a commercial presence as defined under mode 3b) above: Unbound except as in horizontal section</p>	<p>3) (a) Unbound</p> <p>(b) None</p> <p>4) (a) Unbound</p> <p>(b) Unbound except as in horizontal section</p>	3) (b) See Notes 2, 3,
MARITIME AUXILIARY SERVICES Maritime Cargo Handling Services (as defined below – 4)	<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>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>	

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Storage and warehousing Services CPC 742	3) None** 4) Unbound except as in horizontal section 1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	3) None 4) Unbound except as in horizontal section 1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Customs Clearance Services (as defined below – 5)	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
MARITIME AUXILIARY SERVICES (cont.)			
Container Station and Depot Services (as defined below – 6)	1) Unbound* 2) None 3) None**	1) Unbound* 2) None 3) None	

* 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.

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Maritime Agency Services (as defined below – 7)	4) Unbound except as in horizontal section 1) None 2) None 3) None	4) Unbound except as in horizontal section 1) None 2) None 3) None	
(Maritime) Freight Forwarding Services (as defined below - 8)	4) Unbound except as in horizontal section 1) None 2) None 3) None 4) Unbound except as in horizontal section	4) Unbound except as in horizontal section 1) None 2) None 3) None 4) Unbound except as in horizontal section	

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 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 or, for EEC, « a Member State ») and another port located in ... (name of the country or, for EEC, « the same Member State ») and traffic originating and terminating in ... the same port located in (name of country, or for the EEC, « a Member State ») provided that this traffic remains within ... (name of country or « this Member State »)'s territorial waters.
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 construed 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 operator 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 requested from Philippines 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 the Philippines

This request includes services that are listed under the negotiating proposal of the EC (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 requests that this area is committed as follows :

A. Services related to exploration and production

- CPC 883: Services incidental to mining

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 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 and CPC 513: Construction and related engineering services

These sub-sectors are not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- 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

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".

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".
- Mode 4 : Commit as referred 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

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 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 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, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

- Wholesale trade services of electricity

EC Request:

- Modes 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred 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 full commitments, i.e. schedule "none".
- 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, i.e. schedule “none”.
- 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, i.e. schedule “none”.
- Mode 4 : Commit as referred 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. None.
- Mode 4 : Commit as referred 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. None.
- 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".