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COMMUNICATION FROM AUSTRALIA, CANADA, THE EUROPEAN COMMUNITIES, JAPAN, HONG KONG CHINA, KOREA, NORWAY, SINGAPORE, THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU, AND THE UNITED STATES

Liberalization of Telecommunication Services

The following communication, dated 1 July 2005, from the delegations of Australia, Canada, the European Communities, Japan, Hong Kong China, Korea, Norway, Singapore, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, and the United States is being circulated to the Members of the Council for Trade in Services.

1. We believe telecommunications services are an important element of the GATS negotiations because of the valuable roles such services play in supporting national economies and international trade:

- **DRIVERS OF ECONOMIC GROWTH:** A modern telecommunications infrastructure can be an important driver of economic growth. In our experience, open markets for telecoms services encourage investment in this sector, leading to economic development and stimulating innovation and the availability of innovative services at competitive rates.
- **CONNECTIVITY AND ICTS:** Telecoms services are crucial complements to the physical communications infrastructure in every country that connects businesses and citizens to each other and countries and regions to the rest of the world. In this context, the liberalisation of telecoms services promotes the advancement of modern and sophisticated telecoms networks, which contributes to newer and more competitive communication services and a diffusion of information and communication technologies (ICTs). ICTs, in turn, play an integral role in improving connectivity and quality of life by providing access to services such as online education, e-government, and e-health, to name a few.
- **INNOVATION AND ENABLERS OF TRADE:** Telecoms services are key inputs into domestic, regional and international trade, making it possible for goods and service providers in virtually every sector of the economy to penetrate markets around the corner or around the globe. Telecoms services, for instance, let companies in any sphere reach out to customers and connect to suppliers. Telecoms networks and services are also at the forefront of new and innovative ways of doing business. They are the backbone of the Internet and electronic commerce, enabling online procurement and the delivery of goods or services through electronic means. They also facilitate the growing trend towards business process outsourcing, helping companies improve productivity by focusing on core competencies and strengths.

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2. In short, we see telecoms networks and services as not only important economic drivers in their own right but as key inputs into trade and development goals with the potential to improve quality of life for developed and developing countries alike. In our view, these benefits are most likely to accrue to countries with open and competitive telecoms markets. For these reasons, we encourage all Members to recognize telecommunications as a vital infrastructural service and actively participate in these negotiations with the objective of achieving full commitments for all telecommunications services. We also urge Members to commit to all of the provisions of the Reference Paper developed in the Negotiating Group on Basic Telecommunications. To promote further liberalization of this sector, we encourage elimination of MFN exemptions for telecommunications services. We believe such liberalization will pave the way for continued innovation, prosperity and growth by making it easier for countries to embrace the Information Society while leveraging their strengths in relation to international trade.
