

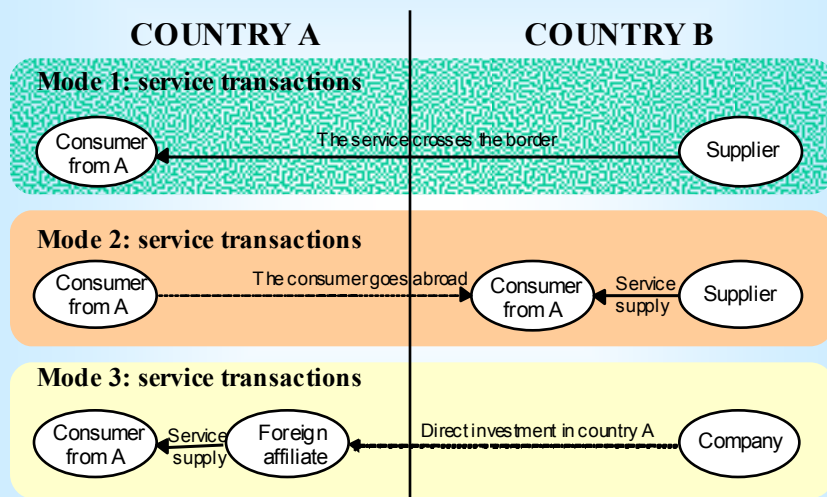


GATS AND MODE 4

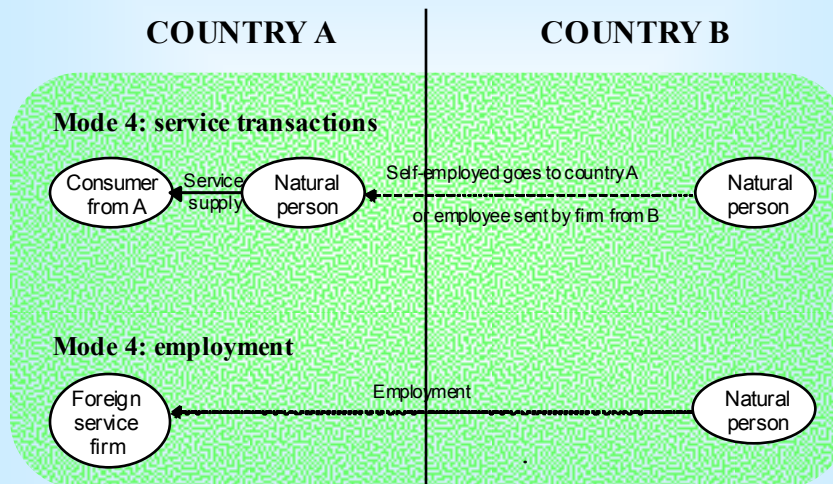
Economic Research and Statistics Division,
WTO

GATS

The 4 Modes of Supply Under GATS (1/2)



The 4 Modes of Supply Under GATS (2/2)



Relative Importance of Mode 4



Estimates at World level:

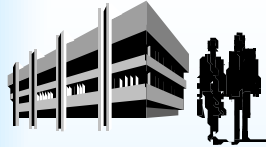
- Mode 1 - ~ 35 %
- Mode 2 - ~ 10 - 15%
- Mode 3 - ~ 50 %
- **Mode 4 - ~ 1 - 2%**

Situation differs across services sectors and countries

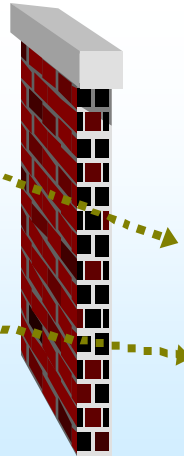


The 4th Mode of Supply

Member A



Service
supplier



Member B

Supply of a service by a service supplier of a Member through presence of natural persons of a Member in the territory of any other Member

Service
consumer



What does the supply of a service refer to?

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Which natural persons?

- Self-employed of Member A
- Employed by a service supplier of Member A:
 - the employee is sent to Member B in respect of the supply of a service
 - Member A has commercial presence in Member B and sends its employee to its affiliate in Member B (intra-corporate transferees)
- *Employed by a service supplier of Member B (host country) ?*

Does not exclude any level of skill

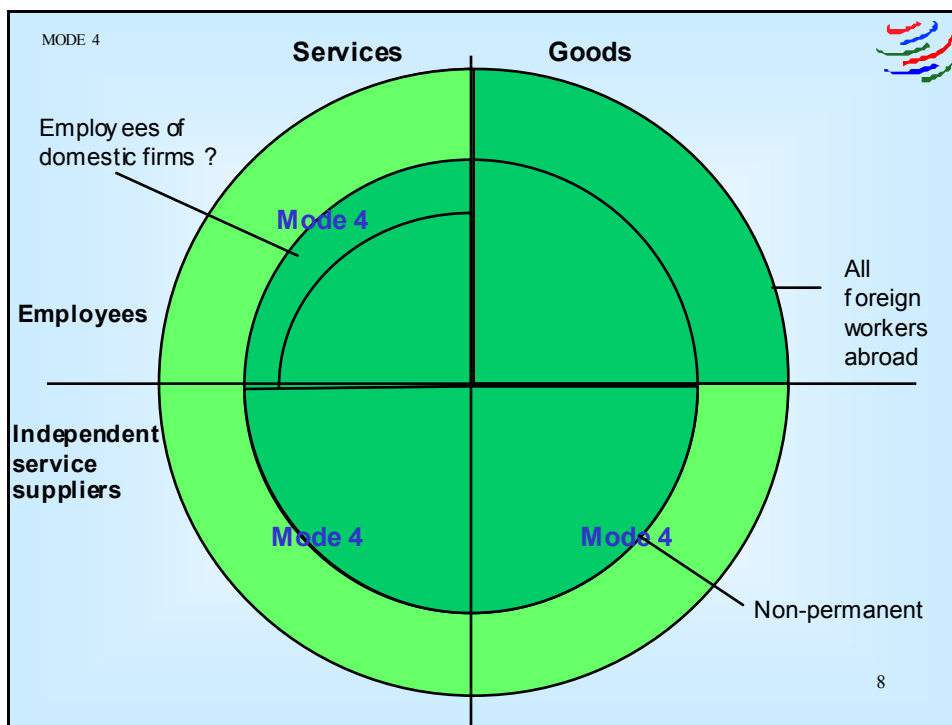
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The Annex on Movement of Natural Persons

- GATS does NOT apply to measures
 - affecting natural persons *seeking access* to the employment market
 - regarding citizenship, residence or employment on a permanent basis
- GATS does not define “temporary”
- Commitments can be scheduled by categories of natural persons





Who is in and Who is out?

Falling under Mode 4	Not falling under Mode 4
<ul style="list-style-type: none"> • Supply of services <i>(Definition of particular services?)</i> • All skill levels • Intra-corporate transferees Contractual service suppliers <ul style="list-style-type: none"> – Independent service suppliers – Employees of foreign service supplier Also: business visitors • Temporary movement 	<ul style="list-style-type: none"> • Employees in the “goods” sector • Employees of host country firms • Permanent migration



Mode 4 and Current Commitments

Mode 4	Commitments
<ul style="list-style-type: none"> • Supply of services • All skill levels • Intra-corporate transferees Contractual serv. suppliers Business visitors • Temporary movement 	<ul style="list-style-type: none"> • Mainly horizontal commitments • Mostly high-level • Intra-corporate transferees (~70%) Contractual serv. suppliers (~10%) Business visitors (~20%) • 3-5 years: Intra-corporate transferees < 1 year: Contractual serv. suppliers < 3 months: Business visitors