

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4683
ANSWERED ON:26.04.2005
GENERAL AGREEMENT ON TRADE IN SERVICES
Reddy Shri Magunta Sreenivasulu

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the General Agreement on Trade in Services (GATS) covers all services of positive list whose aim is to progressively liberalise trade in services;
- (b) if so, the details thereof;
- (c) whether the movement of natural persons has been restricted by developed countries;
- (d) if so, stand of India in this regard;
- (e) whether GATS is silent on the issue of downmarket unskilled workers like construction workers, labour etc; and
- (f) if so, measures taken by the Government to negotiate trade of unskilled workers services going abroad?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI E.V.K.S. ELANGO VAN)

(a) & (b) Yes, Sir. The General Agreement on Trade in Services (GATS) of the World Trade Organisation (WTO) covers all services, classified under 12 broad sectors, viz., Business Services, Communication Services, Construction and Related Engineering Services, Distribution Services, Educational Services, Environmental Services, Financial Services, Health Related and Social Services, Tourism and Travel related Services, Recreational, Cultural and Sporting Services, Transport Services and Other Services not included elsewhere. The ongoing Negotiations mandated under GATS and subsequently under the Doha Development Agenda aim at progressively liberalising trade in services, following a positive approach wherein member countries have the right to choose sectors and modes of supply in which they would be in a position to undertake commitments.

(c) & (d) Commitments taken by most developed countries for movement of natural persons are linked to establishment of commercial presence and are subject to a number of limitations and administrative hurdles such as visa and immigration procedures, Economic Needs Tests, Work permit norms, Non-recognition of qualifications etc. In order to address these barriers in the free movement of natural persons, India has taken several initiatives, which include engaging in negotiations with trading partners at bilateral, plurilateral and multilateral levels and tabling proposals alongwith groups of countries, at the WTO for addressing these issues as well as suggesting strategies to achieve meaningful liberalisation in this mode of supply of services.

(e) & (f) The principles of GATS are applicable only for temporary movement of natural persons for supply of services and do not apply to measures affecting natural persons whether skilled or unskilled seeking access to employment market in any member country. Government of India's efforts in negotiating with its trading partners are with the objective of reducing barriers in such temporary movements and obtaining more access in their markets.