



**Economic Commission for Africa**

**Briefing Paper Series**

**Emerging Trends in the Negotiations under WTO:  
Pertinent Issues of Concern to African Countries**

**General Agreement on  
Trade Services (GATS)**

**No. 3**

**December 1998**

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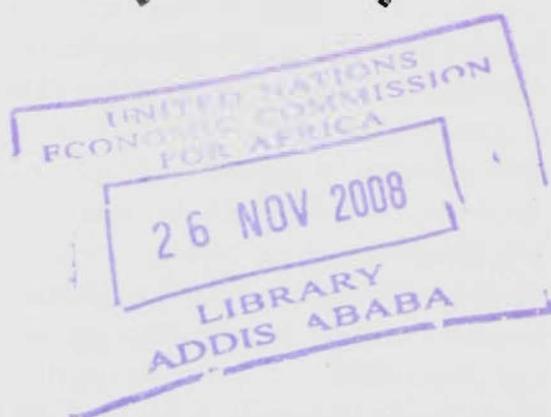


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# **General Agreement on Trade Services (GATS)**



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# Table of Contents

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1. Introduction	1
2. Design, principles and main elements of GATS	3
3. Special provisions of GATS for developing countries	11
4. Shortcomings of GATS vis-a-vis developing countries	13
5. Forthcoming negotiations under GATS	17
6. How Africa should prepare itself for forthcoming negotiations	19
7. Conclusion	29
8. Annexes	31
References	47

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# I. Introduction

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1. The Uruguay round negotiations which took place between 1986-1993 are so far the most comprehensive and far-reaching event of multilateral trade negotiations since the entry into force of the General Agreement on Tariffs and Trade (GATT) fifty years ago. These negotiations, which were ambitious both in depth and in scope, aimed at:

- ◆ Bringing about further liberalization of trade at the global level through the removal of tariffs and other barriers to trade;
- ◆ Improving the rules of the multilateral trading system, including the strengthening of the dispute settlement mechanism;
- ◆ Integrating textiles and agriculture in the trading system in a comprehensive manner;
- ◆ Incorporating multilateral rules and agreements in new sectors like trade in services (GATS), trade related intellectual property rights (TRIPS) and trade related investment measures (TRIMS); and
- ◆ Harmonizing rules and regulations applied to imports and exports of goods and services with WTO obligations (see Box 4 with regard to the Trade Policy Review Mechanism (TPRM)).

2. The agreements reached at the end of these negotiations (known as the Uruguay Round Agreements (URA)) represent a comprehensive legal framework of multilaterally agreed concepts, principles and rules that will henceforth govern the world trading system with a view to strengthening it and stimulating further trade liberalization and globalization of markets. The legal nature of the URA is different from that of the GATT, so are their purposes and objectives in that their implementation is placed under the scrutiny of a new and more sophisticated institutional framework known as the World Trade Organization (WTO) established in January 1995 in replacement of GATT. The successful conclusion of the URA and the establishment of the WTO are therefore likely to set in a new global trade and economic order for decades to come.

3. In view of the fact that the URA are a very complicated and multifaceted set of agreements, decisions, declarations and understandings, African countries have had to grapple with their implementation because most of

these countries are yet to understand the intricacies of the agreements and develop the necessary implementation capacities. They therefore need to fully address this lacuna and assess the impact of URA on their economies so that they can introduce laws, policies and strategies that are not only compatible with WTO requirements but also will help them implement the URA and thereby participate effectively in the multilateral trading system.

4. Given the importance and significant potential of services such as tourism in the economic development process of the African region, the two issues of the 1998 policy brief are devoted to the services sector by analyzing the General Agreement on Trade in Services (GATS). Thus, they intend to help African countries have a better understanding of the GATS and prepare themselves for forthcoming and future negotiations on the subject, as well as better seize the opportunities the Agreement offers.

5. It should be recalled that when the scope of the negotiations during the Uruguay round was extended to services, the idea was to transfer the GATT principles, which have considerably liberalized the trade in goods over a period of fifty years, to the services sector. GATS embodies a number of concepts, principles and rules offering a great deal of opportunities for increasing services-related production and trade of all WTO members. Therefore, for a better grasp of the GATS concept, the first issue of the brief gives detailed information to explain its design, main elements, special provisions concerning developing countries and shortcomings. It also provides an insight into the forthcoming negotiations under GATS as a means of assisting African countries to prepare themselves for an effective participation in these negotiations. In this regard, additional information is provided in Box 3 on some of the technical assistance programmes that African countries could take advantage of in order to bolster their capacity in the negotiation process.

6. The second 1998 brief will address specific agreements in GATS in the areas of transport and telecommunications, tourism and financial services.

## II. Design, principles and main elements of GATS

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7. The GATS<sup>1</sup> is the first multilateral agreement providing legally enforceable rights to trade in all areas of the services sector<sup>2</sup>. It consists of two main elements: the general concepts, principles, and rules that apply across the board to measures affecting trade in services, and the "specific commitments"<sup>3</sup> made by WTO members. The Agreement includes a provision for further negotiations to continue the process of liberalization in the services sector. In this regard, following the conclusion of the Uruguay Round and the signing of the Marrakech Final Act, a number of negotiations have taken place in areas such as financial services, basic telecommunications, maritime transport and movement of natural persons. But given the limited success achieved from these sectoral negotiations, the same topics should be further discussed during the full new round of multilateral negotiations scheduled to take place before the end of the year 2000, as provided for under Article XIX of GATS.

8. The GATS consists of the following components:

- ◆ The articles of the Agreement which contain general obligations applicable to all member countries as well as specific obligations which may be negotiated by members for individual sectors or sub-sectors;
- ◆ Annexes dealing with the specificities of particular sectors (air transport, financial services and telecommunications) and the movement of natural persons supplying services;
- ◆ Specific commitments made by each WTO member recorded according to an elaborate system of country schedules. The latter, also known as the "schedules of commitments", is annexed to the Agreement and will form an integral part of it; and

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<sup>1</sup> GATS has 29 articles covering the entire services sector with the exception mentioned below

<sup>2</sup> Services covered by GATS do not include those provided in the exercise of governmental functions

<sup>3</sup> The bulk of GATS obligations becomes operational once concessions have been actually negotiated between member countries. In GATS language the negotiated concessions are called "specific commitments"

- ◆ A number of ministerial decisions relating to implementation matters.

9. The basic principles of GATS are as follows:

- ◆ Complete coverage of all service sectors (no service activity is excluded, except the one mentioned in paragraph 12);
- ◆ Progressive liberalization through further negotiations;
- ◆ Most Favored Nation (MFN) treatment applies to all services. However, one-off and temporary exemptions are made to this principle;
- ◆ National treatment applies in the areas where commitments are made;
- ◆ Transparency in regulations and inquiry points;
- ◆ Regulations should be objective and reasonable;
- ◆ International payments should be unrestricted; and
- ◆ Individual countries' commitments should be negotiated and bound.

10. The WTO Council for Trade in Services is the appropriate body that oversees all the operations of the Agreement.

## **2.1. GATS coverage**

11. GATS covers all internationally-traded services defined in the following four broad categories also called the four modes of supply of services:

- ◆ "cross-border supply": services that do not require the physical movement of a supplier or a consumer (e.g. international telephone calls, international transport and postal services);
- ◆ "consumption abroad": consumers or firms making use of service in another country. It involves the movement of the consumer to the country of the supplier (e.g. tourism);
- ◆ "commercial presence": applies to the case of a foreign company that legally establishes entities (subsidiaries or

branches) to provide services in another country (e.g. a foreign bank setting up operations abroad); and

- ◆ "presence of natural persons": individuals travelling to another country to supply a service (e.g. consultant, migrant workers, and musicians).

12. It should be noted however, that GATS does not cover the services supplied in the exercise of governmental functions.

## 2.2. Further negotiations in GATS

13. At the end of the URA the negotiations on GATS were not completed. Because of its diversities and complexities, negotiating parties felt that the package needed to be improved through periodic negotiations so as to take the liberalization process further by increasing the level of commitments of WTO members. At the time of the signing of the Marrakech Final Act, the governments involved agreed to pursue the negotiations in four areas, namely in basic telecommunications, maritime transport, movement of natural persons<sup>4</sup>, and financial services, even though some commitments in some of these areas had been made during the URA.

14. Negotiations on the unfinished business under GATS<sup>5</sup> were conducted as follows. With regard to the movement of natural persons and basic telecommunications, negotiations were completed in July 1995 and February 1997, respectively. In the area of maritime transport they were suspended because participants failed to agree on a package of commitments. However, talks will resume with the new services round due to start no later than 2000. In financial services, the first set of talks ended in July 1995. After a series of discussions, the negotiations ended in December 1997. In general, GATS is an unfinished process. More negotiations are required to progressively liberalize the sector. As indicated above, before the end of 2000 new series of

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<sup>4</sup> Movement of natural persons refers to the entry and temporary stay of persons for the purpose of providing a service. It does not relate to persons seeking permanent employment, permanent residence or citizenship in a country.

<sup>5</sup> The "unfinished business" refers to the areas in which countries have agreed to pursue their negotiations. For example the negotiations that continued to take place in basic telecommunications, financial services, movement of natural persons and maritime transport are the "unfinished business" under GATS.

talks under GATS are expected to take place. Negotiating guidelines and procedures will be established for each round of talks.

### **2.3. MFN principle**

15. As a non-discriminatory principle, the MFN principle means treating all trading partners equally. For a better illustration, let us take country A that allows foreign competition in a given services sub-sector. Country A should give equal opportunities to any other service providers from any WTO country wishing to operate in country A. This applies even if country A has made no specific commitment to provide foreign companies access to its markets under WTO.

16. However, exceptions are made to the MFN principle in the context of regional integration schemes. When GATS came into force, a number of countries already had preferential agreements in services that they had signed with trading partners, on the basis of a bilateral or a small group arrangement. During the negotiations, it was felt necessary to maintain these preferences at least temporarily. Accordingly, separate lists of exceptions<sup>6</sup> were prepared. Nevertheless, keeping in mind that the MFN principle should not be put into question, WTO members agreed that exemptions could only be made once and that nothing could be added to the lists. Furthermore, it was agreed that the lists should be reviewed in the year 2000 and that they should not be used for more than ten years. The exemptions to the MFN principle are therefore of a one-off and temporary nature.

### **2.4. National treatment principle**

17. The national treatment principle in GATS has a different meaning than that in GATT. When applied for goods under GATT rules, it meant equal treatment for foreigners and nationals alike. But under GATS, this principle is only applied when a country has made a specific commitment to provide foreigners access to its services market (see paragraphs 22 and 23 ). In other words, national treatment is not applied in sectors where no commitment has been made by a country. Even in cases where commitments exist, GATS allows for some exemptions to the principle of national treatment.

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<sup>6</sup> The exemption lists are also part of the GATS agreement.

18. The national treatment principle frequently overlaps with that of market access. Both are complementary obligations. Market access aims at securing an entry for foreign service suppliers into the market of a given WTO member, whereas national treatment ensures that once in the market of a given WTO member, the foreign service suppliers receive the same treatment provided to the local suppliers.

## **2.5. Transparency**

19. GATS requires that WTO members publish all relevant laws and regulations on trade in services and make them available at inquiry points that should have been set up within their ministries by the end of 1997. Foreign governments and companies can use these inquiry points to obtain information about regulations in any services sector. In case governments make changes to their rules and regulations falling under specific commitments within GATS, they need to notify the WTO about the changes.

## **2.6. Regulations**

20. Domestic regulations are the most significant means of exercising control over the trade in services. Consequently, GATS require governments to regulate services "reasonably", "objectively" and "impartially". When a government takes an administrative decision that affects a service, it should also provide an impartial means for reviewing the decision (a tribunal for example).

## **2.7. International payments/transactions**

21. Once a government has committed itself to open a service sector to foreign competition, it should allow for free transfer of money ("current transactions") out of the country as payment for the services supplied. The only exception is when there is a situation of difficulties in balance of payments. Even in such a case, the restrictions must be temporary and subject to other limits and conditions.

## 2.8. Individual countries' commitments

22. GATS contains relatively few commitments that are of immediate application. In the context of GATS, most of its obligations become operational only when member countries have actually negotiated concessions and reached commitments on specific issues. Market access and national treatment are the two basic principles of GATS subject to specific commitments. However, member countries can also decide to include other additional areas in their negotiations.

23. Individual WTO members are free to make specific commitments with respect to the four modes of delivery of services. They can negotiate the way they intend to open up their markets for a number of service sub-sectors and the kind of activities to be undertaken within those sub-sectors. Negotiations could take place on any aspect of the market, including the level and extent of market access, restrictions in terms of foreign ownership, as well as limitations and exemptions from national treatment. However once the negotiations are concluded and commitments made<sup>7</sup>, the individual countries' commitments are recorded and become binding. They are considered as the negotiated and guaranteed conditions for doing business in international trade in services. For example, investments made and/or businesses established in a specific sub-sector in a given country by foreign companies or countries will be protected by the commitments made by that specific country. Commitments can be modified, improved or withdrawn on the condition that compensatory arrangements are made with the affected foreign company or country. No withdrawals or modifications are permissible until three years after the agreement comes into force.

24. The national schedules of specific commitments of member countries are in a standard format to facilitate comparative analysis. They indicate the presence or absence of limitations on market access, national treatment or any additional commitments. They contain two kinds of commitments. One is a set of "horizontal" commitments, which apply across all sectors for the four modes of supply of services. The other vertical set is composed of sectoral commitments relating to particular sectors or sub-sectors in trade in services.

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<sup>7</sup> It should be noted that countries could bargain at any level (bilateral, regional, etc.) before committing themselves to any agreement. Once commitments are made, they are treated as negotiated and guaranteed conditions for conducting international trade in services. As such they will be annexed to GATS and will be an integral part of it.

### **Box 1: Schedules of commitments for services**

**In its national schedule, each WTO member indicates the service sectors and activities to which it will apply the market access and national treatment obligations of the GATS. For each service activity inscribed in a schedule, there are eight entries referring to the obligations of market access and national treatment and to the four modes of supply through which international trade in services takes place.**

**The entries represent a binding commitment, which allows activities in the services sector under the terms and conditions specified therein.**

## **Box 2: Main elements of the General Agreement on Trade in Services (GATS)**

GATS consists of the 29 articles of the agreement, a number of annexes addressing the special situations of individual sub-sectors, the national schedules of commitments on service activities and ministerial decisions on implementation. Part I of the agreement defines its scope, specifically with regard to the four modes of supply described in paragraph 11.

Part II sets out the general obligations and disciplines. The Most-favoured Nation (MFN) obligation is to be reviewed after five years from the signing of the URA and is limited to a duration of ten years. Transparency requirements include the publication of all relevant laws and regulations. Bearing in mind that domestic regulations have a major influence on trade in services, it is stated in GATS that they should be administered in a reasonable, objective and impartial manner. The Agreement also contains obligations with respect to authorization, certification or licenses to supply services. Restrictive business practices are subject to consultations between concerned parties with a view to eliminating them.

Part III contains provisions on market access and national treatment, which are the subject of specific commitments, made in national schedules. The latter helps identify the service activities where commitments are made and the limitations in terms of each of the four modes of supply for market access, national treatment and any other additional commitment.

Part IV establishes the basis for progressive liberalization of trade in services through successive negotiations and development of national schedules.

Part V contains institutional provisions, including consultation and dispute settlement procedures and the establishment of a Council on Services.

The annexes address specific sub-sectors such as the movement of labour, financial services (mainly banking and insurance), basic telecommunications and maritime transport. See paragraph 14 for the status of negotiations in these four sectors.

### III. Special provisions of GATS for developing countries

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25. GATS contains a number of concepts, principles and rules dealing specifically with developing countries. It offers a number of general opportunities to increase services-related production and trade of its developing members. It is stated in the Preamble of GATS that one of the paramount objectives is the development of developing countries. Particularly, the fifth preambular paragraph mentions ways "to facilitate the increasing participation of developing countries in trade in services and the expansion of their service exports including, inter-alia, through the strengthening of their domestic services capacity and its efficiency and competitiveness".

26. The most explicit and important references to the specific needs of developing countries appear in articles IV and XIX as well as in the Guidelines for the negotiation of initial commitments. Article IV is intended to facilitate increasing participation of developing countries in world trade. In this regard, there is a possibility for developing countries to negotiate specific commitments in areas that are of special interest to them. Furthermore, GATS establishes certain obligations on the part of developed countries to assist their developing counterparts in the following areas:

- ◆ Strengthening the domestic services capacity of developing countries with a view to increasing its efficiency and making it competitive;
- ◆ Improving their access to information networks; and
- ◆ Facilitating market access in sectors of export that are of interest to developing countries.

27. To enable developing countries pursue their national development objectives and priorities, article XIX provides flexibility for these countries to open fewer sectors or to liberalize fewer types of transactions in further negotiations. It also recognizes that market access conditions by developing countries should be in line with their economic development situation. Because of their development, trade and financial needs, least developed countries are given special consideration in both Articles IV and XIX, particularly with regard to the process of negotiating specific commitments.

28. As indicated in paragraph 14, guidelines and procedures are to be established for future rounds of negotiations. Here again, the guidelines and procedures should establish modalities for the special treatment of developing countries and most particularly for the least-developed ones so that the level of development of each country participating in the negotiations can be taken into consideration. It is believed that this special provision will help achieve a balance of interest and benefits in accordance with Articles IV and XIX of GATS. Furthermore, developing countries are not expected to come up with comprehensive commitments during negotiations.

## **IV. Shortcomings of GATS vis-à-vis developing countries**

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29. During the URA negotiations, developing countries were of the opinion that they had little to gain from the whole process. They felt that due consideration was not given to the sectors of particular interest to them. The following examples could be used to illustrate why most developing countries are not in a position to effectively benefit from the GATS agreements. The movement of natural persons is an important area for many developing countries, particularly for those with a wide spectrum of labor services ranging from semi-skilled and skilled workers to managerial and technical personnel. These countries, with surplus labor, may want to export labor services to the rest of the world in order to benefit from wage income, fees, honorarium and other remittances, which hold great significance for many of them.

30. Even though GATS recognized labor as a factor integral to trade in services, and the importance of movement of persons to provide services internationally, this issue was considered as a separate item for negotiation within the specific country commitments. Accordingly, the schedules of developed countries, for example, require that the movement of personnel be linked to commercial presence. Under such conditions, it will not be possible for a developing country to open a branch or a subsidiary to provide services in a developed country. Enterprises in most developed countries are weak and the commercial presence mode of supply involves high costs of establishment in developed countries, thus making it practically impossible.

31. Other conditions attached to specific commitments are so onerous that they are difficult to meet for an entrepreneur from a developing country. For example, a service supplier has to meet certain formalities with respect to authorization, certification or licenses. In this regard, visas, residency and work permits are basic requirements. In the most extreme cases all three documents could be necessary to fulfill the conditions. Assuming that these documents are to be obtained from three different authorities each one of which applies its own different criteria on eligibility, then one can envisage the kind of impediments that businesses from developing countries have to face in accessing the markets of developed countries.

32. Furthermore, there are several other provisions that are used to limit the access to the markets of developed countries. These include the quota regimes (safeguard measures), the subjective test, standards, etc. Conditions relating to the quota regimes are extremely complicated in the sense that they are based on the requirement and conditions of each industry. Similarly, subjective test goes through national authorities that exercise broad discretionary power. This imposes further limitation on developing countries' access to the markets of the developed ones.

33. National treatment conditions are equally stringent in the developed countries. Employment is restricted to the job petitioned and to the location of the petitioned job. Therefore, the visa or permit holder cannot change job and/or location of job unless he/she reapplies for a new visa and/or work permit. Qualifications and conditions on the location and type of housing accommodations, on remittances, on access to health care and other social benefits, on the right of the family to accompany the alien worker, and on the possibility for the spouse to be gainfully employed are so restrictive that the principle of "equal treatment for foreigners and nationals alike" is negated.

34. Even though the URA have, in general, addressed the many aspects of the rules governing the multilateral trading system with a view to improving and liberalizing it, several provisions in the rules give rise to protective practices on market access. For example, out of 128 countervailing measures in force in June 1995, the USA alone had 103 of them (80%). As for anti-dumping actions, out of 805 measures in force in June 1995, the USA had 305, the EU 178, Canada 91 and Australia 86. The total of these major trading partners was 660 (82%). Furthermore, corporations, industrial groups and other lobbies in developed countries are so powerful that they can impose their own standards to protect or to expand their markets. This goes to show that the major trading partners are better placed to use all these tools to serve their interest to the detriment of the interest of developing countries.

35. This is because GATS imposes few limitations on national policies, which only require that there should be no discrimination across the different sources of supply. While developed countries do fully use the provisions under GATS to strongly defend their own positions, there is little pressure on the small and developing countries to exploit similar advantages because they have very little to offer in the multilateral services trade. In view of this, GATS faces the challenge to become an effective and unambiguous instrument of multilateral liberalization that ensures a level playing field for participating countries. In this regard, its sectoral coverage needs to be greatly

strengthened by banning all measures violating national treatment and market access. The provisions on general obligations applicable to all member countries must be expanded, and the scope and the limits attached to specific commitments by countries should be reduced and harmonized. Moreover, the approach taken toward scheduling commitments needs to be critically assessed to ensure that it encourages, rather than restricts, significant liberalization in trade in services. These concerns and other issues deserve serious consideration at future negotiations.

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## V. Forthcoming/Future negotiations under GATS

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36. Most of the Uruguay Round Agreements have in-built provisions for regular reviews of their implementation. Special reviews can also be conducted in order to assess and improve the implementation of several agreements. As stated in Article XIX:1 of GATS, successive rounds of negotiations are to begin not later than five years from the date of entry into force of the WTO agreement (i.e. 1 January 2000) and continue periodically thereafter with a view to achieving higher levels of liberalization. Specifically, the purpose of the negotiations is to:

- ◆ Reduce or eliminate all measures that hinder effective market access;
- ◆ Reach specific commitments between countries;
- ◆ Promote the interest of all participants on a mutually advantageous basis; and
- ◆ Secure an overall balance of rights and obligations.

37. The same Article also provides that in the process of liberalization there shall be due respect for national policy objectives and the level of development of individual members.

38. Furthermore, in addition to the obligations contained in various agreements, there are specific commitments to continue negotiations in some areas and to start future negotiations in others. These are usually referred to as the unfinished business of the URA and the built-in agenda for future negotiations, respectively.

39. With regard to the unfinished business, it is indicated in paragraph 14 that discussions in maritime transport were suspended and that they are expected to continue before the end of 2000. As for the built-in-agenda in services, WTO members have committed themselves, when signing the Marrakech Final Act, to enter into successive negotiations before 2000. The objective is to increase the general level of commitments contained in the schedules of member countries.

40. Specific negotiations will also take place on subsidies, emergency safeguards and government procurement.

41. For each future round, negotiating guidelines will be established. In this regard, the WTO Council on Trade in Services will carry out an assessment of trade in services in general terms and on sectoral basis, taking into account the overall objectives of GATS.

## **VI. How Africa could prepare itself for forthcoming/future negotiations**

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42. Developing countries' gains in future trade rounds will reflect the extent to which they are able to mobilize their negotiating strength, both individually and collectively. It is undeniable that progressive liberalization of trade whether in goods or in services is necessary to improve the efficiency of a country. But to take advantage of such liberalization, countries must adopt an overall strategy and supportive measures to strengthen their capacities to compete with others.

43. In the case of Africa, its current socio-economic situation is not encouraging. As a result of the economic and social crisis of the 1980s, most African countries, assisted by the international community, have adopted Structural Adjustment Programmes (SAPs). Results vary from country to country, but an overall assessment seems to indicate that the efforts deployed towards economic recovery in Africa were not always successful. This is due to several impeding factors such as: the macro-economic disequilibrium caused by high costs of SAPs, the overwhelming stock of external indebtedness of African countries exacerbated by the debt service obligations, severe lack of foreign exchange, stagnation or decrease of external resources, limited Foreign Direct Investment (FDI), difficulties of the democratization process, etc. The combination of these and other factors has aggravated the economic difficulties of African countries and made their entry into the globalization process very difficult and challenging, as compared to other countries much better prepared.

44. African countries' effective participation in the open WTO process will largely be contingent upon the success of their economic reforms and development policies. It will also depend on the extent to which the reform process is internally driven and not externally developed, as it is the case now. As indicated above, SAPs are continuing and seem to be unavoidable. For decades now, Africa has been the largest recipient of aid programmes, and many state budgets are very often entirely dependent on it. It is proven that trade reforms and additional preferences from the EU cannot alone enable African countries in general to achieve a breakthrough in the diversification of their production and the expansion of their exports. If Africa is to significantly benefit from the Uruguay Round Agreements and the whole

WTO process, then these and other issues enumerated in the ensuing chapters have to be seriously addressed.

45. Africa needs to pursue its own long-term self-sustaining development strategies so as to eliminate its structural weaknesses. It is becoming increasingly clear that externally-driven prescriptions cannot be a catalyst for truly internal reforms. Unfortunately, analysis of the marginalisation and economic weaknesses of Africa shows that strategies to make development an endogenous phenomenon are difficult to put in place because of Africa's extreme dependence on aid programmes, loans tied to conditionalities, "cooperation" with different partners, etc. Bearing in mind that development cooperation cannot take the place of a country's or continent's own efforts to solve its own problems, African countries should gradually discontinue to make a case for higher aid, additional preferences, special treatments etc. Particularly, since the mechanisms of globalization no longer make it possible for a number of such practices to continue, it is now the time for African countries to depend more on their own development strategies and resources towards their economic transformation. This should therefore be the main challenge for African countries if they are serious about their economic decline and the need to strengthen the capacity of their economies to cope with the enormous challenges induced by world trade liberalization and globalization.

46. In this context, it is pertinent to outline the strategies to pursue in the interim period and beyond. As a long-term strategy, African countries should strengthen and use their economic cooperation and integration arrangements to exploit the opportunities created by the multilateral trading system and avoid marginalization. Indeed, regional economic integration has for long constituted a significant strategy for Africa's development. Africa's desire to achieve regional economic integration has been well documented in various studies relating to its development. Furthermore, with the signing of the Abuja Treaty, African countries renewed their commitments to pave the way for the establishment of an African economic community and reiterated their decision for a development-oriented integration strategy to take them into the next millennium.

47. Because of the balkanization of the continent with small internal markets, limited infrastructure, fragile borders, and economies vulnerable to fluctuations of world prices, economic integration is seen as a means to overcome the disadvantages of small size, small populations, low per capita incomes, and narrow resource bases. It is considered as a strategy to

accelerate development and structural transformation of African countries in the context of evolving global linkages and interdependence.

48. However, the African experience in economic integration has so far produced very limited results. Progress is scanty in the areas of production, infrastructure and other elements that could sustain development efforts. The institutional framework for integration is faced with several difficulties that are far from being resolved. In addition to the lack of funds for their implementation, integration programmes and schemes are so discordant from one subregion to another that they give rise to hopeless situations. All actors are not allowed to participate in the integration process, which is seen so far as an affair of Governments.

49. African countries should therefore take their regional cooperation and integration process more seriously to enhance their economic and technological capacities which are critical to enable them fully and equally participate in the multilateral system. Taking advantage of the provisions of Article V of GATS and Article 24 of GATT which allow WTO members to enter into regional agreements to liberalize trade among them, Africa should make a strong case for its economic integration strategy at every WTO forum, including those related to trade in services, with a view to preparing itself for an effective participation into the global system.

50. Freer trade would make a major contribution to the global system only when every single member of the system is integrated effectively. Therefore, negotiations, whether in trade in goods or in services, should come up with modalities that will assist developing countries in general and African countries in particular in their strategies to effectively integrate into the international trading system. In this regard, the following points need attention to move the African integration process ahead:

- (i) African Regional Economic Communities (RECs) have put in place trade liberalization schemes to achieve a free trade area (FTA) or a customs union (CU) at the subregional level by the year 2005, on the average. The subregional FTAs or CUs should subsequently converge into a continental customs union covering all areas of trade which, according to the Abuja Treaty (Article 6 (d)), will need 20 years for its establishment (approximately around 2019). This is obviously at variance with the WTO time frame of about 10 years provided for CUs and FTAs. Accordingly, there is a need to negotiate the calendar to conform with WTO requirements

if the Abuja Treaty and the treaties of each REC are intended to be notified to the WTO according to the provisions of Article 24 of GATT.

- (ii) The second and third stages of the Abuja Treaty call for the strengthening of sectoral integration at the regional and continental levels, coordination and harmonization of activities among RECs and the establishment of FTAs and CUs at the subregional level. Any measure to implement programmes, projects and activities in those areas will definitely help in accelerating the economic integration process.
- (iii) Africa's regional market space provides a potentially challenging arena for nurturing and developing Africa's competitiveness, and thus serves as a springboard for coping with the challenges of the global market space. Accordingly, Africa should accelerate the process of seeking exemptions from GATS and other WTO agreements in the context of its regional arrangements so that it can develop its integration process and strengthen its own markets underneath the multilateral trading system. This is not to suggest that external trade should be ignored; parallel measures need also be taken to strengthen external trade as well.

51. African countries should also bring forward the following issues at the forthcoming GATS and other WTO negotiations.

- (i) With regard to GATS, Africa has a low participation in international trade in services, which according to WTO's 1996 data is 1,9% (see tables in annex). With such a low figure, one cannot expect for much to happen unless African countries take urgent measures to create an environment that is propitious to the blossoming of a dynamic private sector, which will not only play a role in trade in goods, but also in trade in the services sector in Africa with a view to increasing Africa's share in international trade in services. To this end, the following prerequisites need to be met:
  - ◆ Coherent, well-designed and stable macroeconomic and microeconomic policies;
  - ◆ Development of physical infrastructure; and

- ◆ Assistance and encouragement to the private sector, particularly to the service sector enterprises so that they can modernize their activities, use new techniques and improve the quality of their services. The following are areas that can make a major contribution to the development of the private sector:

- Improved access to information technology and networks on services;
- Identify new market access opportunities to world markets;
- Quality control and improved distribution channels;
- Export financing;
- Promotion of Africa's export in services;
- A well-trained labor force that can be marketable nationally and/or internationally;
- Increased investment opportunities and easily available commercial credits;
- Access to the state-of-the-art technology and marketing networks; and
- Support to export marketing strategies.

(ii) African countries should know the exact impact and implications of the world trading arrangements on their economies. They should therefore establish new capacities or strengthen existing ones to introduce and implement laws, policies and strategies that meet the WTO requirements and hence to participate effectively in future negotiations. Accordingly, capacity building programmes are necessary for:

- ◆ Training, with emphasis on highly specialized areas;
- ◆ Strengthening of the institutional frameworks dealing with WTO issues through human resource development at various levels of the governmental and private institutions; and
- ◆ Strengthening research capabilities;

(iii) Related to the above, is the issue of human and institutional capacity to provide adequate statistical data on the production and trade in goods and in services. Africa should know exactly the kind, the volume and direction of its trade in a disaggregated

manner so that proper policies can be formulated. Therefore, this is another area where the institutional capacity should be strengthened.

52. Furthermore, the shortcomings of GATS vis-à-vis developing countries, mentioned in section 4, should be raised so that improvements could be sought. As indicated earlier in this paper, the whole URA is a dynamic process. Further negotiations are scheduled to enable corrections and improvements to be made to the whole system. Accordingly, African countries ought to play their role in contributing effectively to the process of any up-coming negotiations. In view of the highly technical nature of these negotiations, Africa should be able to have a critical mass of experts knowledgeable in the wide areas of disciplines covered by the WTO system. As an interim measure, the Advisory Panel on international trade negotiations established by the Joint OAU/ECA/ADB Secretariat could help in assisting African countries prior to scheduled negotiations. The purpose of the Panel is to provide technical advice and guidance as well as backstop the work of African trade negotiators in the priority areas of international negotiations, which are also important for Africa. It will be composed of qualified African experts drawn from an established list of experts covering a wide area of disciplines and comprising a good skill-mix. Its composition will be flexible and will depend on the nature of the issues to be discussed during the negotiations. Even though the importance of such a mechanism cannot be underestimated, here again the long term solution is for Africa to train a critical mass of experts capable of understanding the legal, economic and political intricacies of the WTO system and its impact on African economies with a view to contributing to its improvement.

53. Technical assistance programmes are in-built in the WTO system (see Box 3). So far there is a tendency to overemphasize the role of seminars in technical assistance programmes. Even though seminars are an important means for information and sensitization purposes, technical assistance programmes should be also used to improve the capacities of African countries in the areas mentioned in the earlier paragraphs.

54. The negotiation process is meant to maximize the positive impact of liberalization and globalization on sustainable development. African countries should therefore go prepared at every negotiation making a list of issues, which are important for their development and their subsequent integration in the global trading system. The Trade Policies Review Mechanism (TPRM) (see Box 4) could assist them to assess their needs and also identify the kind

of interagency cooperation that they may need with regard to the broader range of issues covered by the URA.

### **BOX 3: Technical assistance programmes available to African countries**

Technical assistance provisions constitute an essential element of the Uruguay Round Agreements (URA). African countries should, therefore, take advantage of it in order to fulfill their obligations and maximize the benefits that they can derive from the Agreements.

An integrated approach to technical assistance for least developed countries (LDCs) has been developed by WTO, UNCTAD, and ITC secretariats, in collaboration with the IMF, World Bank and UNDP with a view to coordinating, sequencing and synchronizing the trade-related technical assistance programmes and resources of the six agencies. The Integrated Programme, officially known as the Integrated Framework for technical assistance to LDCs (IF), aims at assisting African and selected least developed countries participate more effectively in the multilateral trading system and improve their export competitiveness. An Interagency Working Group composed of the six organizations assumes responsibility for managing the programmes of activities called for under the Integrated Framework. So far, the following African countries are participating in the Programme: Angola, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Ethiopia, the Gambia, Guinea, Guinea Bissau, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao-Tome and Principe, Sudan, Tanzania, Togo, Uganda and Zambia.

In March 1998, a Common Trust Fund (CTF) was launched to support the implementation of the IF. CTF is considered as a resource-efficient approach to cooperation not only among the six international organizations but also among other agencies, bilateral development partners, members of the private sector, including Non-Governmental Organizations (NGOs) and of course the benefiting partner countries. It is expected that some US\$ 10 million will be put at the disposal of the Fund to cover programme requirements of sub-Saharan partner countries. The Fund consists of two windows. Window I is for earmarked contributions, which will be used to finance national needs assessments, project development and advisory missions, activities for the collective benefit of participating countries, as well as complementary or full financing of country projects. Window II is specifically allocated to country projects only. A Steering Group, located in ITC, consisting of donors, beneficiary countries and the secretariats of ITC, WTO and UNCTAD manages the Fund.

The types of activities provided by the Programme are as follows: The first stage involves the preparation by each participating country of an assessment of its needs in the area of trade-related technical assistance. Least developing countries can be assisted, upon request, by the six agencies to prepare their needs assessments. Once a complete needs assessment is submitted, the six agencies work together on a provisional programme of trade-related technical assistance that responds to the needs expressed. The provisional programme is later on discussed with and agreed upon by the countries concerned for possible technical assistance in the following areas:

- ◆ Institution building programme to handle trade policy issues (e.g. building a "core-capacity" to deal with trade related issues in relevant national institutions);
- ◆ Strengthening of export supply capabilities (e.g. increasing investment in productive sectors, removing bottlenecks to increased production of tradable goods and services);
- ◆ Strengthening trade support services (e.g. support at the enterprise level including use of information technology);
- ◆ Strengthening trade facilitation capabilities (e.g. modernization and reform of customs);
- ◆ Training and human resources development; and
- ◆ Assistance in the creation of a supportive trade-related regulatory framework that will encourage trade and investment.

#### **Box 4: Trade Policies Review Mechanism (TPRM)**

The TPRM is a well-established feature of the GATT system. With the entry into force of the WTO in 1995, it became the center of WTO's work in ensuring surveillance of national trade policies. The objectives of the TPRM are to:

- ◆ Improve the adherence by all WTO members to rules, disciplines and commitments made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements; and
- ◆ Facilitate the smooth functioning of the multilateral trading system by enhancing the transparency and understanding of WTO members with regard to the trade policies and practices agreed upon.

The mechanism enables a regular collective appreciation and evaluation of the full range of individual member's trade policies and practices and their impact on the functioning of the multilateral trading system. Reviews take place against the background of wider economic and developmental needs, policies and objectives of individual members as well as external factors relating to multilateral trade. It should be noted, however, that TPRM is not a mechanism to enforce the specific obligations under the URA, neither to look into the dispute settlement procedures nor to impose new policy commitments on members.

The TPRM provides for a Trade Policies Review Body (TPRB) which examines regularly the trade policies of WTO members. The schedule is every two years for the four major traders (European Union, USA, Japan and Canada), every four years for the next sixteen leading traders (a group which includes nine developing countries), and every six years for the remaining traders, although longer intervals may be prescribed for least-developed countries. The basis for the examination is a report prepared by the WTO Secretariat and a policy statement by the country under review. Individual countries have to carefully examine the overall structure and impact of their trade policies because the review exercise entails not only compiling national reports but also responding to questions raised by the TPRB. The latter also carries out an annual overview of developments in the international trading environment which have an impact on the multilateral trading system, assisted by an annual report by the Director-General setting out major activities of the WTO and highlighting significant policy issues affecting the trading system.

The TPR process therefore enables WTO members evaluate their implementation of the URA and also provides them with an early warning regarding major areas of concern in the trading system for possible review of policies and practices. Particularly developing countries could use the process to assess their domestic reform programmes and enhance the interagency cooperation on the broader range of issues covered by the URA.



## VI. Conclusion

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55. In its present state, GATS has only limited disciplines on the liberalization of trade in services. There are many open questions in GATS that need to be addressed in future rounds.

56. Long, medium and short-term solutions are suggested in this brief to increase Africa's participation in the multilateral trading system. For Africa to be taken as a serious partner in negotiating at international fora, it needs to address its socio-economic development problems and become economically strong to be heard at the WTO negotiating tables. Africa's development in the context of a globalized world of the 21st century depends mainly on its ability to:

- ◆ Take its economic integration scheme seriously and strive to get it off the ground by making a case for it at every opportunity, including the WTO fora;
- ◆ Formulate and implement coherent, well-designed and stable macroeconomic and microeconomic policies;
- ◆ Develop its physical infrastructure;
- ◆ Provide assistance and encouragement to the private sector;
- ◆ Acquire the capacity to understand and implement the WTO agreements;
- ◆ Train a critical mass of multidisciplinary experts to cater for the wide technical issues of the WTO machinery as it relates to African countries; and
- ◆ Have an efficient statistical data generating system which indicates the kind, the volume and direction of its trade so as to help make appropriate policy decisions.





Table 1

Leading exporters and importers in world trade in commercial services, 1996  
(Billion dollars and percentage change)

Rank	Exporters	Value	Share	Annual change	Rank	Importers	Value	Share	Annual change
1	United States	202.0	16.2	7	1	United States	135.3	10.8	5
2	France	87.2	7.0	-4	2	Germany	132.3	10.5	0
3	Germany	82.8	6.4	3	3	Japan	128.7	10.2	8
4	United Kingdom	74.9	6.0	6	4	France	70.4	5.6	-2
5	Italy	69.1	5.6	6	5	Italy	66.9	5.3	3
6	Japan	66.4	5.3	4	6	United Kingdom	61.9	5.0	7
7	Netherlands	48.1	3.9	2	7	Netherlands	44.6	3.5	-2
8	Spain	44.0	3.5	11	8	Belgium-Luxembourg	33.2	2.6	1
9	Hong Kong, China	38.9	3.1	9	9	Korea Rep. of <sup>a</sup>	31.7	2.5	15
10	Austria	35.1	2.9	6	10	Canada	31.5	2.5	7
11	Belgium-Luxembourg	34.6	2.8	2	11	Austria	30.5	2.4	7
12	Singapore <sup>a</sup>	29.4	2.4	0	12	China <sup>a</sup>	26.3	2.1	7
13	Switzerland <sup>a</sup>	27.1	2.1	--	13	Taipei, Chinese	24.5	1.9	3
14	Korea, Rep. of <sup>a</sup>	25.3	2.0	1	14	Spain	23.9	1.9	11
15	Canada	23.1	1.9	9	15	Hong Kong, China	22.3	1.8	4
16	China <sup>a</sup>	20.5	1.7	11	16	Thailand <sup>a</sup>	20.9	1.7	12
17	Australia	18.1	1.5	17	17	Sweden	18.8	1.5	10
18	Thailand <sup>a</sup>	17.3	1.4	18	18	Singapore <sup>a</sup>	18.6	1.5	13
19	Sweden	17.0	1.4	12	19	Australia	18.1	1.4	10
20	Taipei, Chinese	16.5	1.3	7	20	Russian Fed.	17.2	1.4	-9
21	Denmark	15.5	1.3	6	21	Malaysia <sup>b</sup>	16.9	1.3	18

22	Norway <sup>a</sup>	15.2	1.2	--	22	Norway <sup>a</sup>	16.5	1.3	--
23	Turkey <sup>a</sup>	15.0	1.2	--	23	Switzerland <sup>a</sup>	15.8	1.3	--
24	Malaysia <sup>a</sup>	14.1	1.1	27	24	Brazil <sup>a</sup>	15.2	1.2	15
25	Russian Fed.	10.6	0.9	6	25	Denmark	14.7	1.2	5
	Total of above	1047.8	83.2	--		Total of above	1036.7	81.8	--
	World	1260.0	100.0	5		World	1265.0	100.0	5

<sup>a</sup> Secretariat estimates

Note: Growth rates and ranking are sometimes affected by breaks in the time series due to different and/or changing statistical methods. See the Technical Notes. Annual statistics 1986-96 are given in Appendix Tables A5 and A6

Source: WTO Annual Report, 1997, Volume I, Page 19

Table 2

**World exports of commercial services by African countries, 1986-96**  
(Million dollars)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Africa	11900	13400	15600	14900	18600	19100	21800	21900	22700	24900	--
Algeria	520	527	448	476	479	375	--	--	--	--	--
Angola	116	93	128	150	65	118	95	89	150	--	--
Benin	58	74	82	72	97	104	123	119	86	--	--
Botswana	73	90	75	83	182	186	168	174	175	236	--
Cameroon	437	385	426	457	369	397	386	363	--	--	--
Central African Republic	17	20	18	15	18	17	16	17	--	--	--
Congo	71	75	67	73	65	65	54	40	50	55	76
Congo, Dem. Rep.	126	162	130	110	127	--	--	--	--	--	--
Côte d'Ivoire	396	421	436	376	424	420	479	482	424	573	576
Djibouti	---	--	--	--	--	--	35	38	33	27	--
Egypt	3311	3468	4219	3372	4812	6140	7054	7076	7693	8262	--
Ethiopia	---	--	--	--	--	--	223	250	266	309	335
Ethiopia, former	181	244	227	253	260	234	--	--	--	--	--
Gabon	103	86	182	267	214	291	312	286	199	--	--
Gambia	29	43	50	50	53	65	67	65	76	38	--
Ghana	35	67	66	68	72	87	100	126	128	--	--
Guinea	52	52	30	64	92	88	84	45	15	19	--
Kenya	466	544	593	624	774	740	748	762	814	873	--
Lesotho	16	21	26	27	34	34	34	28	29	--	--
Libyan Arab Jamahiriya	87	83	87	79	83	--	--	--	--	--	--
Madagascar	62	81	99	112	129	125	142	153	184	218	--
Malawi	21	29	39	31	37	38	28	30	23	--	--

Mali	53	65	67	53	60	50	53	53	52	--	--
Mauritania	16	25	23	23	14	19	10	15	17	19	--
Mauritius	182	280	343	368	477	523	573	562	629	773	903
Morocco	1055	1294	1625	1533	1871	1492	1968	1875	1876	1859	--
Nigeria	250	224	364	552	965	886	1053	1163	371	--	--
Rwanda	34	35	32	33	31	27	19	21	--	--	--
Senegal	238	256	277	272	356	296	336	268	310	--	--
Seychelles	115	133	152	135	162	156	182	201	192	209	--
Sierra Leone	15	25	14	14	45	51	36	45	86	--	--
South Africa	2025	2449	2569	2699	3443	3335	3470	3415	3795	4255	--
Sudan	179	144	112	163	134	37	135	39	44	82	--
Swaziland	25	46	56	84	104	90	93	93	95	100	--
Tanzania, United Rep.	100	105	118	117	131	143	168	313	411	551	--
Togo	81	88	79	99	115	88	94	45	61	--	--
Tunisia	874	1160	1768	1328	1574	1307	1887	1952	2174	2401	--
Zambia	38	41	52	78	95	69	--	--	--	--	--
Zimbabwe	140	152	182	226	253	260	277	346	353	--	--

Source: WTO Annual Report, 1997, Volume II, page 127

Table 3

**World imports of commercial services by African countries, 1986-96**  
(Million dollars)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Africa	20300	20400	22100	23300	26900	27400	30200	31700	32900	34900	--
Algeria	1899	1332	1229	1098	1156	999	--	--	--	--	--
Angola	573	403	1111	1142	1288	1737	1854	1402	1426	--	--
Benin	108	126	137	99	121	124	143	138	97	--	--
Botswana	132	175	212	207	371	378	356	323	317	439	--
Cameroon	925	1004	873	981	1019	1116	885	723	--	--	--
Central African Rep.	138	145	139	135	167	135	151	131	114	--	--
Congo	635	475	519	477	749	781	734	843	984	765	695
Congo. Dem. Rep.	561	620	661	710	689	--	--	--	--	--	--
Côte d'Ivoire	1175	1152	1146	1113	1519	1298	1349	1258	1121	1268	1371
Djibouti	--	--	--	--	--	--	105	105	84	77	--
Egypt	2737	2488	2757	2856	3326	2998	4646	5164	5382	4511	--
Ethiopia	--	--	--	--	--	--	361	289	299	342	364
Ethiopia, former	265	310	327	314	347	272	--	--	--	--	--
Gabon	856	720	773	867	985	837	867	1004	795	--	--
Gambia	20	29	32	35	35	55	52	55	50	47	--
Ghana	152	164	192	198	210	234	275	316	298	--	--
Guinea	119	121	178	183	243	253	198	249	234	243	--
Kenya	349	397	443	500	598	542	487	499	601	756	--
Lesotho	26	34	43	44	49	52	57	49	43	--	--
Libyan Arab Jamahiriya	943	1098	1026	991	926	--	--	--	--	--	--
Madagascar	153	160	168	151	172	178	197	204	249	278	--
Malawi	131	143	198	231	269	357	339	259	234	--	--

Mali	285	303	319	295	368	348	377	361	303	--	--
Mauritania	203	206	205	188	126	136	161	167	162	197	--
Mauritius	160	240	298	333	407	436	507	503	527	631	671
Morocco	492	591	702	766	940	1015	1148	1048	1208	1523	--
Nigeria	1066	872	804	1325	1901	2386	1739	2681	2981	--	--
Rwanda	106	86	94	82	96	77	89	98	--	--	--
Senegal	291	315	319	271	368	359	403	353	333	--	--
Seychelles	66	78	72	63	79	66	74	91	77	84	--
Sierra Leone	32	38	33	42	67	63	59	60	94	--	--
South Africa	2859	3323	3448	3609	4095	4081	4677	4923	5283	6215	--
Sudan	154	178	218	347	202	185	197	100	199	150	--
Swaziland	40	61	88	68	102	122	84	97	108	158	--
Tanzania, United Rep.	220	224	264	272	288	299	337	597	538	714	--
Togo	161	182	183	174	217	255	182	131	73	--	--
Tunisia	504	505	577	571	682	664	970	1195	1200	1244	--
Zambia	179	207	260	408	370	352	--	--	--	--	--
Zimbabwe	297	326	385	430	460	585	623	517	645	--	--

Source: WTO Annual Report, 1997, Volume II, page 130

Table 4

**Leading exporters and importers in world merchandise trade, 1996**  
(Billion dollars and percentage change)

Rank	Exporters	Value	Share	Annual change	Rank	Importers	Value	Share	Annual change
1	United States	624.5	11.8	7	1	United States	817.8	15.1	6
2	Germany	521.2	9.9	0	2	Germany	456.3	8.4	-2
3	Japan	410.9	7.8	-7	3	Japan	349.2	6.4	4
4	France	290.5	5.5	1	4	United Kingdom	278.5	5.3	8
5	United Kingdom	262.0	5.0	8	5	France	275.6	5.1	0
6	Italy	250.8	4.8	7	6	Italy	207.0	3.8	0
7	Canada	201.6	3.8	5	7	Hong Kong, China	201.3	3.7	3
8	Netherlands	197.5	3.7	0		- retained imports <sup>a</sup>	47.8	0.9	-8
9	Hong Kong, China	180.9	3.4	4	8	Netherlands	180.7	3.3	2
	- domestic exports	27.4	0.5	-8	9	Canada	175.2	3.2	4
	- re-exports	153.5	2.9	7	10	Belgium-Luxembourg	157.5	2.9	1
10	Belgium-Luxembourg	169.4	3.2	0					
11	China	151.1	2.9	2	11	Korea, Rep. of	150.2	2.8	11
12	Korea, Rep. of	129.8	2.5	4	12	China	138.8	2.6	5
13	Singapore	125.0	2.4	6	13	Singapore	131.3	2.4	5
	- domestic exports	73.5	1.4	6		- retained imports <sup>a</sup>	79.8	1.5	5
	- re-exports	51.5	1.0	6	14	Spain	121.9	2.2	6
14	Taipei, Chinese	115.9	2.2	4	15	Taipei, Chinese	101.4	1.9	-2
15	Spain	102.1	1.9	11	16	Mexico <sup>b</sup>	90.2	1.7	24
16	Mexico <sup>b</sup>	96.0	1.8	21	17	Switzerland	79.3	1.5	-1
17	Sweden	84.5	1.6	6	18	Malaysia	78.6	1.4	1

18	Switzerland	80.8	1.5	1	19	Thailand	73.5	1.4	4
19	Malaysia	78.4	1.5	6	20	Austria	66.7	1.2	1
20	Russian Fed. <sup>c</sup>	68.7	1.3	8					
21	Australia	60.5	1.1	15	21	Sweden	66.6	1.2	3
22	Saudi Arabia <sup>d</sup>	59.0	1.1	18	22	Australia	65.4	1.2	7
23	Austria	57.1	1.1	-1	23	Brazil	56.9	1.1	6
24	Thailand	55.7	1.1	1	24	Denmark	45.2	0.8	-1
25	Denmark	50.7	1.0	0	25	Indonesia	42.9	0.8	6
	Total of above <sup>e</sup>	4424.6	83.9	3		Total of above <sup>e</sup>	4417.1	81.5	4
	<b>World<sup>e</sup></b>	<b>5270.0</b>	<b>100.0</b>	<b>4</b>		<b>World<sup>e</sup></b>	<b>5420.0</b>	<b>100.0</b>	<b>5</b>

<sup>a</sup> Retained imports are defined as imports less re-exports.

<sup>b</sup> Includes shipments through processing zones.

<sup>c</sup> Excludes trade with the Baltic States and the CIS. Including trade with these States would lift Russian exports and imports to \$88 billion and \$61 billion respectively.

<sup>d</sup> Secretariat estimates.

<sup>e</sup> Includes significant re-exports or imports for re-export

*Note:* Data for the 50 leading traders and annual data for 1986-96 are provided in Volume II, Table 1.5 and Appendix Tables A3 and A4

Source: WTO Annual Report, 1997, Volume I, Page 18

Table 5

40

World merchandise exports by African countries, 1986-96 (Million dollars)											
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Algeria	8780	8610	7240	8190	11330	10720	10200	9250	8240	9110	11300
Angola	1332	2168	2516	3015	3910	3427	3698	2854	3002	3509	4900
Benin	103	114	71	97	122	21	88	181	163	192	220
Botswana	862	1587	1465	1857	1784	1849	1742	1780	1878	2143	2468
Burkina Faso	83	155	142	95	152	155	157	151	131	148	-
Burundi	154	91	133	78	75	90	72	68	108	106	40
Cameroon	782	806	927	1683	2002	1834	1840	1883	1486	2040	1950
Cape Verde	4	8	3	7	6	6	5	4	5	6	-
Central African Republic.	66	130	130	134	120	47	107	110	151	171	-
Chad	99	109	144	155	188	194	182	132	148	252	280
Comoros	20	12	21	18	18	25	22	22	11	11	-
Congo	777	973	751	910	981	1029	1184	1069	959	1173	1350
Congo, Democratic Rep.	1093	983	1121	1254	999	830	427	369	419	438	450
Côte d'Ivoire	3354	3110	2770	2808	3072	2686	2806	2649	2869	3820	4314
Djibouti	20	28	23	25	25	17	16	17	17	17	-
Egypt	2214	2037	2120	2565	2585	3659	3051	3105	3463	3435	3520

Equatorial Guinea	35	42	49	41	62	83	41	57	62	86	-
Ethiopia	-	-	-	-	-	-	-	199	372	423	-
Ethiopia, former	455	355	429	465	298	189	169	-	-	-	-
Gabon	1271	1286	1196	1598	2204	2243	2082	2295	2350	2713	3300
Gambia	35	40	58	27	40	42	63	52	32	16	-
Ghana	863	977	1009	1018	897	998	986	1064	1270	1431	-
Guinea	530	545	512	596	671	642	528	515	480	500	-
Guinea-Bissau	10	17	16	14	19	20	6	16	32	23	-
Kenya	1200	961	1071	970	1031	1108	1339	1336	1609	1879	2067
Lesotho	26	47	64	66	59	67	109	133	143	160	180
Liberia	404	382	396	460	150	250	200	200	190	190	-
Libyan Arab Jamahiriya	7746	8766	6683	8240	13877	11212	10300	8020	8340	9300	11100
Madagascar	315	331	274	316	319	305	277	261	406	364	420
Malawi	248	277	288	267	417	472	383	320	325	405	420
Mali	212	179	215	247	359	312	343	319	320	420	450
Mauritania	360	428	354	437	469	472	468	425	410	490	450
Mauritius	662	884	994	986	1194	1195	1297	1299	1347	1538	1800
Morocco	2454	2826	3603	3307	4265	4313	3984	3991	4013	4642	4846
Mozambique	79	97	103	105	126	162	139	132	150	169	220

Namibia	977	993	1056	1122	1086	1214	1342	1290	1321	1371	1390
Niger	317	312	289	244	283	307	262	225	173	188	-
Nigeria	5155	7365	6875	10000	13670	12264	11886	9916	9368	10636	13800
Reunion	135	169	158	161	186	150	210	176	171	209	-
Rwanda	189	114	108	88	110	93	66	66	42	60	-
Sao Tome and Principe	10	5	4	6	4	6	5	6	8	6	-
Senegal	625	606	591	693	762	651	673	457	712	862	870
Seychelles	18	22	32	34	56	49	48	51	52	53	55
Sierra Leone	144	130	106	138	138	145	149	118	115	25	47
Somalia	85	104	120	75	150	91	118	117	136	145	-
South Africa	18385	21219	21871	22191	23549	23306	23875	24272	25365	27989	28677
Sudan	333	504	509	672	374	305	319	417	524	556	540
Swaziland	280	424	469	502	557	612	665	675	783	957	893
Tanzania, United Rep.	361	289	275	365	415	342	416	450	519	639	760
Togo	204	244	242	245	268	253	275	136	162	209	200
Tunisia	1759	2139	2395	2930	3526	3699	4019	3802	4657	5475	5517
Uganda	436	319	271	274	147	200	142	179	424	461	600
Zambia	517	873	1179	1347	1309	1076	946	875	928	993	815
Zimbabwe	1302	1427	1643	1542	1726	1532	1445	1568	1885	2119	2350

Source: WTO Annual Report, 1997, Volume I, Page 121

Table 6

World merchandise imports by African countries, 1986-96 (Million dollars)											
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Africa	71900	74500	84400	85700	94800	93900	98400	96300	102500	122900	127000
Algeria	9228	7042	7342	9210	9715	7538	8573	8785	9599	9831	11950
Angola	1086	1303	1372	1338	1578	1347	1988	1463	1633	1700	2100
Benin	387	349	568	421	265	241	615	614	494	693	640
Botswana	713	937	1196	1500	1946	1947	1861	1771	1638	1907	2080
Burkina Faso	405	434	454	322	536	533	590	570	409	549	-
Burundi	202	212	204	187	231	248	221	204	224	234	127
Cameroon	1704	1723	1274	1261	1400	1173	1163	1102	1083	1241	1150
Cape Verde	107	100	106	112	136	147	180	154	209	300	-
Central African Republic	167	204	201	150	154	93	145	126	139	174	-
Chad	212	226	228	240	286	250	243	201	177	220	250
Comoros	37	52	53	43	52	58	76	59	53	63	-
Congo	597	529	564	518	621	472	688	582	635	670	700
Congo, Dem. Rep.	871	764	764	849	888	711	420	372	382	397	430

Côte d'Ivoire	2055	2370	2080	2111	2098	2103	2269	2015	1834	2931	3207
Djibouti	184	205	201	197	215	214	219	230	243	275	-
Egypt	8680	7596	8657	7434	9216	7862	8245	8184	10185	11739	12750
Equatorial Guinea	52	58	61	51	61	117	92	60	37	50	-
Ethiopia	-	-	-	-	-	-	-	787	1033	905	-
Ethiopia, former	1102	1066	1129	943	1081	472	799	-	-	-	-
Gabon	866	732	791	767	918	834	700	845	756	882	920
Gambia	104	127	138	161	199	222	234	243	209	140	-
Ghana	783	988	905	1273	1205	1319	1457	1728	1580	1688	-
Guinea	451	468	605	589	723	735	740	730	688	750	-
Guinea-Bissau	60	70	66	69	68	67	84	62	63	70	60
Kenya	1613	1755	1975	2148	2125	1797	1713	1711	2156	2949	2912
Lesotho	354	469	587	617	672	813	977	912	845	986	990
Liberia	267	308	272	323	210	250	220	220	210	210	-
Libyan Arab Jamahiriya	4445	4684	5869	4923	5336	5361	4530	5080	3910	4720	5400
Madagascar	353	302	360	342	571	450	448	468	428	499	530
Malawi	260	295	406	503	581	703	718	546	491	475	540
Mali	444	374	504	502	619	671	693	636	521	538	580
Mauritania	295	381	450	345	387	421	414	400	380	390	390
Mauritius	676	993	1261	1325	1618	1576	1630	1715	1930	1959	2330
Morocco	3803	4230	4773	5493	6800	6873	7348	6760	7188	8563	8192
	543	642	736	808	878	899	855	955	1019	784	1030

Namibia	886	1211	1272	1259	1163	1149	1283	1188	1196	1469	1550
Niger	368	311	387	363	389	355	306	309	225	245	-
Nigeria	4034	3912	4717	4187	5627	9031	8119	7509	6512	9330	8600
Reunion	1137	1464	1662	1732	2160	2133	2394	2076	2358	2711	-
Rwanda	349	352	370	333	288	306	288	332	237	236	-
Sao Tome and Principe	17	14	14	18	27	31	31	30	39	31	-
Senegal	961	1024	1080	1221	1220	1173	1034	9678	1101	1302	1383
Seychelles	106	113	159	165	186	172	192	238	206	237	250
Sierra Leone	132	137	156	183	149	163	146	147	151	135	211
Somalia	279	132	110	72	95	55	65	263	269	193	
South Africa	12992	15277	18723	18498	18399	18834	19761	20017	23387	30555	30126
Sudan	961	871	1061	1335	619	890	821	945	1162	1185	1050
Swaziland	352	435	516	583	663	718	866	874	928	1105	1079
Tanzania, United Rep.	937	929	823	990	1027	1533	1510	1497	1505	1619	1394
Togo	312	424	487	472	581	444	395	179	222	386	405
Tunisia	2890	3039	3689	4374	5542	5189	6431	6214	6581	7903	7745
Uganda	307	848	887	271	213	196	439	535	870	1058	1158
Zambia	648	616	835	906	1220	948	954	920	975	1040	1185
Zimbabwe	1132	1205	1301	1623	1847	2055	2203	1820	2241	2661	2620

Source: WTO Annual Report, 1997, Volume I, Page 124

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice.

2. The second part of the document outlines the procedures for handling discrepancies. It states that any variance between the recorded amount and the actual amount received must be investigated immediately.

3. The third part of the document provides a detailed breakdown of the monthly sales figures. It shows a steady increase in sales over the period, with a slight dip in the middle of the year.

4. The fourth part of the document discusses the impact of the new marketing strategy. It notes that the strategy has been successful in attracting new customers and increasing the overall market share.

5. The fifth part of the document concludes with a summary of the key findings and recommendations. It suggests that the current approach should be continued, with some adjustments to the pricing strategy.

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