

## **Plurilateral Request (Construction Services)**

Further to paragraphs 25 through 27 of the Hong Kong Ministerial Declaration, and in accordance with paragraphs 7 and 11 (b) of Annex C of the Hong Kong Ministerial Declaration, the Mission of Japan is pleased to present the delegation of India with a collective request in construction services on behalf of the following interested Members: Australia, Canada, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, the European Communities, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Norway, Singapore, Turkey, and the United States of America.

This request identifies specific objectives for construction services liberalisation, while recognising the flexibilities provided for individual developing country Members in accordance with Article XIX.2 of the GATS. The aforementioned interested Members are also deemed to be recipients of this request.

In accordance with paragraph 7 of Annex C of the Hong Kong Ministerial Declaration, this collective request is intended to complement, and not supersede, the bilateral request-offer negotiations and the specificity of bilateral requests.

The Mission of Japan has the further pleasure to invite India to participate in a plurilateral discussion of this request, which will be organised in Geneva during the Services cluster taking place from 27 March to 7 April, 2006.

Please note that 18 other Members have received this collective request in construction services from the aforementioned group of interested Members, and have also been invited to this plurilateral meeting.

The aforementioned interested Members reserve the right to modify the content of this request in the future. The list of interested Members is also subject to change.

Any comments regarding this request, including written questions of a technical nature in advance of the plurilateral meeting, may be addressed to:

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## **1. Introduction**

Construction and related engineering services represent fundamental economic activities that permeate all economic sectors and provide them with infrastructure. Construction services constitute one of the largest single sectors in many economies and is a strategically important industry for creating employment and sustaining growth.

As a percentage of GDP, the construction sector is of special importance to developing economies, and carries for them particular significance because of its role in building social and industrial infrastructure, training of local personnel, transfer of technologies and improved access to information channels.

Recognising that linkages often exist between construction services and other related services such as engineering, architectural and integrated engineering services, the requesting Members note that liberalising trade in engineering, architectural and integrated engineering services may contribute to liberalisation of trade in construction services.

## **2. Sectoral coverage**

The commitments must be based on the CPC classification, with a substantial coverage of sub-sectors from CPC 511 through to 518. As construction services are strongly inter-related, commitments are requested in as many sub-sectors as possible. In particular, commitments must be made on CPC 512 and 513 which are the most relevant sub-sectors for international trade in construction services.

## **3. Requests**

The following are the specific requests made by the requesting Members to the requested Members, taking into account the Joint Statement declared by a group of interested Members on 30 June 2005 (JOB(05)130).

### **3.1 Mode 2 (MA/NT)**

Since full commitment on mode 2 in construction section appears to be least contentious, the requested Members are highly encouraged to make such commitment.

### **3.2 Mode 3 (MA/NT)**

Commitments must be made reflecting the objectives below. A reasonable phase-out period could be allowed, taking into account the individual difficulties for developing country Members.

- (i) Elimination of foreign equity limitation (MA)
- (ii) Elimination of restriction on types of commercial presence (i.e. subsidiaries, branches and representative offices) and joint venture and joint operation requirements (MA/NT)
- (iii) Elimination of discriminatory registration requirement and licensing procedures (NT)
- (iv) Elimination of restrictions on the types of projects undertaken by foreign service suppliers, including the size of projects assessed by the total project value (MA/NT)
- (v) Elimination of burdensome asset requirements