



24 October 2023

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**Committee on Specific Commitments**

**REPORT OF THE MEETING HELD ON 2 OCTOBER 2023**

NOTE BY THE SECRETARIAT<sup>1</sup>

The Committee on Specific Commitments (CSC) held a meeting on 2 October 2023 opened by Mrs Xiaolin CHAI, Director of the Trade in Services and Investment Division, and chaired by Mr Devabrata Chakraborty from Bangladesh (incoming Chair).

The agenda for the meeting, contained in document [WTO/AIR/CSC/22](#), was adopted.

**1 ITEM A - APPOINTMENT OF THE CHAIRPERSON OF THE COMMITTEE**

1.1. Following the departure of Mr. Deepak P. Gopaul, Chairperson of the Committee on Specific Commitments (CSC), at the end of August 2023, the Chairperson of the Council for Trade in Services had conducted consultations on his successor. Mr Devabrata Chakraborty from Bangladesh had been proposed for election as the new Chairperson of the Committee on Specific Commitments for 2023.

1.2. The Committee then elected Mr Devabrata Chakraborty from Bangladesh as its new Chairperson by acclamation. The meeting was thereafter chaired by Mr Chakraborty.

1.3. Before moving on to the substance of the meeting, the Chairperson drew delegations' attention to the hybrid mode meeting format, asking those attending on-line to allow a few seconds of streaming to ensure that the statements be heard in full. He also urged delegates, for the benefit of the interpreters, to speak at a reasonable and moderate pace and to provide a copy of their written statement to help ensure that interventions were properly conveyed and understood in the three languages.

**2 ITEM B - IMPLEMENTATION OF SPECIFIC COMMITMENTS**

2.1. The [Chairperson](#) recalled that at previous meetings, the Committee had considered a proposal ([S/CSC/W/73](#)) from the delegation of Türkiye regarding implementation issues related to specific commitments and Article II (MFN) on cross-border supply of road transport services under the GATS. More specifically, three issues had been raised for discussion: 1) the compatibility of imposing truck quotas with full market access commitments in Mode 1 on road transport services; 2) the understanding of "Unbound" in market access (MA) and "None" in national treatment (NT) with respect to cross border supply of road transport; and 3) the MFN obligation with respect to all measures affecting international road transport including truck quotas, passage fees, customs measures, etc. The Turkish delegation had also made a detailed presentation providing more clarity on its proposal with a view to helping Members better understand the issues raised.

2.2. At the previous meeting, as agreed, the representatives from the UNESCAP, the World Bank and the International Transport Forum (ITF) of OECD had been invited to present their work on cross-border road transport with a focus on the quota system, the core issue raised in the Turkish proposal. The purpose of these presentations was to facilitate further discussions on the Turkish proposal. The summary of the presentations was contained in the report of the last meeting ([S/CSC/M/92](#)).

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<sup>1</sup> This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

2.3. The Chairperson hoped that these presentations had helped Members gain a better understanding of cross-border road transport and related quota system and that the Committee was now in a better position to conduct a substantive discussion on the Turkish proposal.

2.4. The representative of Türkiye stated that the major intent of his delegation's proposal as stipulated in document S/CSC/W/73 was to draw attention to the permits and quotas applied by countries in road freight transportation, and in this context, to scrutinize Members' commitments on road freight transportation. In Türkiye's view, if a country listed "none" in its schedule for MA and NT in road freight transportation (CPC 7123), that country should not be applying quotas or permit systems which were essentially quantitative restrictions, even if that country listed an MFN exemption for that sector. Therefore, MA and NT commitments needed to be better understood in road freight transportation services.

2.5. At the previous meetings since March 2022, various presentations had been made to the Committee, including a presentation by Türkiye as well as the presentations by UNESCAP, the World Bank, and the International Transport Forum (ITF). These presentations had contributed to the understanding of different applications of numerical restrictions to road freight transportation services and service providers. They had also helped raise awareness about the restrictiveness of these practices and possible contradictions with Members' commitments in the sector. However, there had been no substantive discussions on relevant commitments and the implications of the quota system for commitments. In other words, the Committee had not engaged in active discussions on what the commitments on cross-border road freight transport should entail in view of the almost universal application of numerical restrictions in the sector. At previous meetings, some Members had noted the complexity of the issues involved, while others had raised concerns about going beyond the mandate of the Committee should commitments be interpreted.

2.6. Referring to the proposal contained in document S/CSC/W/73, the representative of Türkiye stated that a possible second step could be to establish a formal "Understanding on Interpretation of Obligations in Cross-Border Supply of Road Freight Transport Services". Should this be viewed positively by Members, Türkiye would be willing to contribute towards such an outcome, which could possibly constitute an instrumental reference document. There had already been two documents issued by the WTO in the past on road transportation - one being [S/C/W/60](#) dating back to 1998; and the other being [S/C/W/324](#) in 2010. Both documents drew attention to similar issues, and to the fact that the sector was predominated by the application of quotas through bilateral arrangements, which created an asymmetrical regulatory arena for international road freight transportation. On another point, the issue raised here was closely associated with the WTO Trade Facilitation Agreement as well as the rules on the "freedom of transit" (GATT Article V).

2.7. Road freight transport services would preserve its eminence for merchandise trade and the overall world economy in the foreseeable future. As one of the countries heavily relying on road freight transportation, Türkiye would like to see the international regulatory environment affecting this sector to be efficient, predictable as well as free and fair as much as possible, in line with the vision and purpose of the GATS.

2.8. The discussions in the CSC provided an opportunity to draw attention to the problems in international road freight transport services in relation to the functioning of GATS. Establishing a formal document entitled "Understanding on Interpretation of Obligations in Cross-Border Supply of Road Freight Transport Services" could be a way forward to continue the discussion in the CSC. Such a document could provide:

- i. an updated assessment on the current outlook of international road freight transportation services;
- ii. a comparison of multilateral quota schemes with bilateral arrangements;
- iii. an analysis or a depiction of the scheduling methods by Members on international road freight transportation.

2.9. The Chairperson stated that he would hold consultations on how to proceed with this agenda item. He then suggested that the Committee take note of the statements made and revert to this item at the next meeting.

2.10. It was so agreed.

### 3 ITEM C – CLASSIFICATION ISSUES

3.1. The Chairperson recalled that at the previous meeting, the WTO Secretariat had made a presentation on the forthcoming Version 2 of the Handbook on the Measurement of Digital Trade. The presentation had highlighted the latest developments in the measurement of digital trade by the international statistical community with a focus on the conceptual framework, trade in services, and related classification challenges. The report of the last meeting showed that Members had a strong interest in this presentation and issues related to digital services.

3.2. The Chairperson noted that in view of the emergence of new classification issues, his predecessor had encouraged Members to consider sharing experiences on how digital services, climate-related services, or renewable energy services were dealt with domestically in terms of data reporting and collection. Thinking this was a very constructive suggestion, he invited delegates to comment.

3.3. Noting the methodologies used for collecting data on digitally ordered and digitally delivered services, the representative of the Philippines asked whether the Secretariat had presented this Handbook within the context of the e-commerce work programme where there was always a long debate on scope and definitions. The Handbook concretely looked at how statisticians and authorities were monitoring or tracking digital transactions. As a recommendation, perhaps this analytical work could also be presented within the context of the e-commerce work program discussions.

3.4. The representative of the Secretariat stated that the presentation given to the Committee had focused on classification issues, though it had also explained the methodology and some market trends. Should a presentation on the Handbook be requested in the context of the e-commerce programme, the focus of the request should be different.

3.5. The representative of the Philippines recalled that the presentation at the last meeting of the CSC had focused on the conceptual framework. What he recommended was a future dedicated session in the context of the e-commerce work programme.

3.6. The representative of India thanked the Secretariat for their presentation. Her capital was examining the details of the Handbook. She also thanked the Secretariat for providing information on the technical assistance programme and the statistics capacity building by the four partner organizations to assist the statistical compilers around the world to develop digital trade statistics. She looked forward to the Chairperson's consultations.

3.7. The representative of China also thanked the Secretariat for their work on the measurement of digital trade. He noted the importance of this item and fully understood the difficulty of the statistical work. The Secretariat's work and Members' efforts would provide a good basis for Members' needs in this regard. He hoped that good practice could be shared and that the Secretariat would provide technical support as usual. This would be useful work.

3.8. The Chairperson stated that he would hold consultations on how to move forward the work under this agenda item. He suggested that the Committee take note of statements made and revert to that item at the next meeting.

3.9. It was so agreed.

### 4 ITEM D – SCHEDULING ISSUES

4.1. The Chairperson recalled that his predecessor had drawn Members' attention to the APEC Model Schedule of Commitments for Environmental and Environmentally Related Services, which had been developed to assist APEC member economies to develop a schedule of commitments on environmental and environmentally related services based on the APEC Reference List of Environmental and Environmentally Related Services adopted by the APEC Group on Services in 2021. He suggested that the Committee invite APEC to present its Model Schedule of Commitments for Environmental and Environmentally Related Services. His predecessor had rightly noted that this was an important initiative to make commitments on environmental services up to date as the entire

world was gearing up for the environmental and sustainability cause. He agreed with his predecessor that this was an area where the Committee could do some work. He noted that some Members had already responded to his predecessor's suggestion positively at the last meeting.

4.2. The representative of Australia stated that his delegation supported the proposal, noting that APEC included 21 diverse economies from across the development spectrum. APEC represented more than 2.9 billion people and over 60% of global GDP and the APEC Environmental Services Initiative had been quite useful in considering how to promote trade in environmental services.

4.3. The representative of India reiterated her delegation's previous comments, noting that APEC was not an observer of this Committee. It might not be advisable to invite APEC to make the presentation on this topic. Instead, any APEC member could present on this issue. She looked forward to consultations by the Chair on this issue.

4.4. The representative of Canada stated that her delegation was strongly supportive of advancing work in the WTO in the area of environmental services, including through TESSD and other services-focused WTO bodies. Part of Canada's important work on advancing environmental services in the WTO included strengthening Members' collective understanding of this complex and evolving sectoral space which was critical to global transition to a net-zero carbon economy. Bringing in outside perspectives from valuable external partners, such as APEC was an important part of this. APEC had done some work in this area through the development of the APEC Reference List of Environmental and Environmental Related Services in 2021. Thus, Canada would certainly support the Chairperson's suggestion to invite APEC to present the APEC Model Scheduled Commitments for Environmental and Environmental Related Services at the next meeting of the Committee on Specific Commitments.

4.5. The representative of the Philippines echoed the statements delivered by Australia and Canada. His delegation would look forward to the presentation of the APEC Secretariat on ongoing work in this area.

4.6. The representative of the United Kingdom supported the statements by Australia, Canada, and the Philippines on environmental services. Making progress on this very important topic at the WTO was a priority for the United Kingdom, and the presentation from the APEC Secretariat would certainly help deepen Members' understanding of this very complex and interesting topic. Her delegation would support the Chairperson's suggestion to invite APEC to present the Model Schedule of Commitments for Environmental and Environmentally Related Services.

4.7. The representative of the European Union supported the idea to invite APEC to present its Model Schedule of Commitments for Environmental and Environmentally Related Services. Her delegation viewed the APEC Model Schedule as a useful instrument to guide countries that wanted to take deeper commitments for environmental services in their bilateral or regional trade agreements. Her delegation saw value in hearing a presentation on that in more detail from APEC in this Committee.

4.8. The representative of China echoed other colleagues' support for the idea to invite APEC to make the presentation. China thought this would be useful.

4.9. The Chairperson stated that he would hold consultations on how to move forward the work under that agenda item. He suggested that the Committee take note of statements made and revert to that item at the next meeting.

4.10. It was so agreed.

## **5 ITEM E – FUNCTIONING OF THE COMMITTEE IN THE CONTEXT OF WTO REFORM**

5.1. The Chairperson recalled that this agenda item had been initiated by his predecessor. An issue in the debate on WTO reform that was particularly relevant to this Committee was how to strengthen the work of WTO regular bodies, improve transparency under the existing agreements, and enhance WTO's monitoring and deliberation functions. As the new Chairperson, he had learned from the Terms of Reference of this Committee that its primary function was to "oversee the implementation of specific commitments". He had also learned that that function had not been as well fulfilled as it

should have been. As a matter of fact, the Committee had become inactive in the last few years with very limited engagement by Members. In that context, Members might wish to consider how to improve the functioning of this Committee.

5.2. The representative of India stated that her delegation's ideas were not exactly specific to the question that the Chairperson had raised about how to reinvigorate this Committee in terms of the substance, but were more general, regarding the facilitation of this Committee's work. The WTO would complete 30 years of its functioning on 31 December 2024, post the signing of the Marrakesh Agreement. As this Organization entered its 30<sup>th</sup> year as the central pillar of the global multilateral trading system, Members had a collective opportunity to demonstrate their continued commitment to the work of the WTO, thereby strengthening its effectiveness. To this end, India had already proposed to galvanize the collective resolve of the Organization behind an initiative dubbed "30 for 30", which was a Member-led effort to bring at least 30 operational improvements to the WTO, before the Organization completed 30 years. The Organization would be able to showcase these incremental yet collectively very significant transformational changes upon completion of 30 years of its existence. The WTO bodies, including this Committee, could benefit from the operational efficiency improvements through interventions which might include technology adoption, cross-pollination of best practices amongst the WTO bodies, and adapting the working conventions in a way that benefited the delegates in Geneva and the capitals on a day-to-day basis. India thanked the Secretariat for having prepared document [S/C/W/433](#), the comparison matrix of the current functioning of the CTS and the CSC. India noted that the matrix had reflected some of India's suggestions for easily doable practices for the CTS and the CSC, including the yearly work plan, annotated agenda, and more timely issuance of minutes of meetings. India urged Members to consider other suggestions made in its submission. Particular attention was drawn to India's suggestion to institute an annual LDC experience-sharing, where LDCs could present the gains made from the problem space, which could become inputs for the ongoing improvements to the multilateral trading system. India noted that the WTO contributed, with other international organizations, to various studies. However, Members did not play any role in selecting the topics, the identification of agencies for the studies, the need for any such studies, or their analysis. These studies and the reports often contained only selected views and were released as *faits accomplis* and thus created distortions. India stood ready to engage constructively on this issue.

5.3. The representative of the United Kingdom stated that the reform of this Committee and other committees across the WTO was key to the heart of the WTO reform agenda. In this context, the United Kingdom had submitted to the Council for Trade in Services a paper ([S/C/W/452](#)) entitled "Improving the Functioning of the Council for Trade in Services and its Subsidiary Bodies". Ideas in the submission could be carried across into the work of this Committee and other subsidiary bodies. The United Kingdom looked forward to discussing further with Members and to taking part in the Chairperson's consultations.

5.4. The Chairperson stated that he would hold consultations on how to move forward the work under that agenda item. He suggested that the Committee take note of statements made and revert to that item at the next meeting.

5.5. It was so agreed.

## **6 ITEM F - OTHER BUSINESS**

6.1. No intervention was made under that item.

6.2. The meeting was adjourned.

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