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Committee on Specific Commitments**- DRAFT -****ANNUAL REPORT OF THE COMMITTEE ON SPECIFIC COMMITMENTS
TO THE COUNCIL FOR TRADE IN SERVICES (2016)**

Since its Annual Report of 2015 to the Council for Trade in Services¹, the Committee on Specific Commitments (CSC) held four formal meetings, respectively on 2 October 2015, 17 March 2016, 16 June 2016, and 5 October 2016.² During the period covered by this report, the Committee addressed two standing items - classification issues and scheduling issues – and considered future work.

1 CLASSIFICATION ISSUES

1.1. At the meeting of 2 October 2015, a representative of the UN Statistics Division made a presentation on services in the Central Product Classification (CPC) through video conference, with a focus on the evolution of CPC and its general application rules. In the follow-up discussions, Members reiterated their divergent views on various issues related to "new services", including whether "new services" existed, whether a definition of "new services" was needed, and the implications of "new services" for existing commitments under the GATS.

1.2. During the reporting period, a number of delegations indicated repeatedly that the Committee had exhausted the discussion on "new services", while some others continued to express interest in further exploring related issues.

2 SCHEDULING ISSUES

2.1. At the meeting of 17 March 2016, the delegation of Turkey presented its communication on economic needs tests (ENTs) with a view to reinvigorating the discussion in the Committee.³ Noting problems arising from vague and ambiguous ENT entries in Members' schedules, Turkey made a number of specific suggestions for future work in this regard, including: updating the Secretariat's Note on ENTs, examining tendencies in the scheduling of ENTs in FTAs, exchange of information among Members on the application of ENTs, and identifying common elements of the criteria for ENTs by mode or by sector. Turkey's proposals received general support from Members and a shared view was expressed that ambiguous ENT entries in Members' schedules undermined the value of specific commitments under the GATS. Nevertheless, the Committee only agreed to task the Secretariat to update its Note on ENTs by examining the schedules of newly acceded Members.

2.2. At the meeting of 16 June 2016, the Secretariat presented the update of its Note on economic needs tests, which examined the schedules of the 11 Members that had acceded to the WTO after 16 April 2010.⁴ The updated note highlighted that many ENT-related entries continued to be problematic, even in new Members' schedules.

2.3. At the meeting of 5 October 2016, the Committee continued its discussion on ENTs, but no progress was made on substance.

¹ S/CSC/21, dated 14 October 2015.

² The reports of the formal meetings are contained in documents S/CSC/M/74-77, and should be read in conjunction with this report. (S/CSC/M/77 will be issued shortly.)

³ JOB/SERV/224, dated 29 February 2016.

⁴ S/CSS/W/118/Add.2, dated 25 May 2016.

3 FUTURE WORK

3.1. The Chairman held consultations on possible future work the Committee might undertake within its mandate. At the meeting of 5 October 2016, a number of delegations expressed interest in discussing various scheduling and classification issues, in particular those related to e-commerce. There were also questions about the purpose of the Committee's work in the absence of market access negotiations. The Chairman would continue to consult with Members on future work of the Committee.
