

**THE HIGH LIGHTS OF PAKISTAN'S INITIAL OFFER (TN/S/O/PAK) TABLED
ON 24 MAY 2005**

- The General Agreement on Trade in Services, GATS recognizes 12 main sectors for the purpose of classification of services as follows: - Business, communication, financial construction/engineering, health, tourism/travel, distribution, education, environment, recreation/culture/sporting, transport and others. The 12 main sectors are further comprised of 154 sub sectors.
- In the Uruguay round Pakistan made commitments in six sectors namely business services, financial services, communication services, health and related services, construction and related engineering services and tourism and travel related services. A total of forty two sub sectors were scheduled with limitations.
- During the current round of negotiations a request-offer approach has been adopted. According to this approach member countries made their initial requests to other countries for opening up their service sectors. Pakistan received initial requests from 19 countries which are as follows: - United States, European Union, Australia, China, Japan, Korea, Switzerland, Hong Kong, Norway, Poland, Mauritius, Malaysia, Singapore, Canada, India, Malaysia, Mauritius, Egypt and Bahrain.
- Pakistan's initial offer has taken into consideration the market access initial requests as well as revised requests recently made by our trading partners inter alia Australia, EC, Switzerland, Singapore, and United States. Pakistan's initial offer has been submitted after consultations of the Commerce Ministry with the respective stakeholders.
- This offer is conditional to the market access Pakistan receives in other areas of negotiations as well and we retain the right to add, remove or modify any element of our offer until a final agreement that meets Pakistan's objectives is reached. The high lights of Pakistan's initial offer are

- a) Equity limit increased from 51% to 60% unless specified otherwise.
- b) No restriction on acquisition of real estate by non-Pakistani entities.
- c) *Categories* for 'Intra corporate transferees' and 'business visitors' have been defined to facilitate the temporary entry of business visitors and other service suppliers. Reasonable/generous time periods have been allocated to facilitate such temporary 'stays' and 'visits'.
- d) **40** Improvements have been proposed in:
 - 1. In telecommunication services a number of restrictions in Modes 1, 2, 3 removed. Online services and mobile telephone services have been offered as new proposed commitments.
 - 2. In construction and related engineering service improvements in that Equity limit raised to fifty one percent from forty and restrictions removed in Mode 2.
 - 3. In financial services offer entails, no limit on volume of deposits and other repayable funds mobilized by Foreign Banks. Existing foreign banks as well as new ones will be allowed to open up to 25 branches. ATMs not to be treated as a separate branch. Transmission of permissible funds, including foreign currency, can be effected through banks having authorized dealers' license. Commercial banks incorporated in Pakistan and branches of foreign banks are allowed to undertake leasing business provided it is not their core and major line of business. Financial institutions can undertake portfolio management services through their locally incorporated subsidiaries and financial and investment advisory services through subsidiary companies.
 - 4. Integrated Engineering, Equity limit raised to 51% and equity and joint partnership restriction restrictions removed for companies registered with the Securities and Exchange Commission of Pakistan.
 - 5. In Computer and related services limitation on Mode 1 removed.
 - 6. In Tourism services, Market access commitments proposed to be improved in Modes 1 and 2.

7. In hotels and restaurants and Travel Agencies and tour operator services, the market access limitations are proposed to be removed in Modes 1 & 2.
- e) New commitments have been proposed in 22 sub sectors in business services, distribution services, educational services, environmental services. in business services category, legal services and accounting, auditing and bookkeeping services, architectural services, veterinary services and services provided by midwives, nurses, physiotherapists and para medics are proposed. Furthermore, computer related services, research & development services, rental and leasing services, printing & publishing, agriculture storage facilities and range land services have been proposed for making commitments. In communications, commitments have been proposed in courier services. While in distribution services, retailing and wholesaling services are proposed for making commitments.

* Pakistan also reserves the right to modify, extend, reduce and withdraw in whole or in part its initial conditional offer at any time prior to the conclusion of the current services negotiations. Furthermore, Pakistan reserves the right to make technical amendments to this offer and make corrections to rectify any errors or inaccuracies as well as to clarify and interpret the terms and conditions of this offer.

**This offer is not offering in any way the privatization of public undertakings or as preventing Pakistan from regulating public and private services in order to meet national policy objectives. Neither will this offer hinder Pakistan's right to establish, maintain, and fully enforce its domestic laws protecting, *inter alia*, consumers, health, safety, and the environment, as well as take actions that it considers necessary for the protection of its essential security interests.