



Export Council of Australia

The Voice for Australia's Exporters

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Export Council of Australia Submission on Trade in Services Agreement ("TiSA") Negotiations

The Export Council of Australia (ECA) a not-for-profit, membership based organisation and the peak industry body representing Australia's exporters and importers. With a membership base of 1,000 and a reach of 15,000, the ECA represents companies of all sizes and across a wide range of sectors, including services.

The ECA makes this submission directly on behalf of its members, and indirectly on behalf of the international trade community, in support of the TiSA negotiations. Moreover, the ECA strongly supports Australia's chairmanship at the upcoming negotiating round in Geneva. It is hoped that the momentum will be maintained, resulting in significant progress, particularly in the areas of financial and other professional services, domestic regulation, telecommunications and e-commerce, maritime services and market access.

Trade is a key driver of jobs, innovation and long term prosperity for Australia; it accounts for one in five jobs and exports account for 20% of Australia's GDP. The services sector is crucial to the Australian economy accounting for 4 out of 5 Australian jobs and constituting roughly 17 per cent of Australia's total exports.

The international trade environment is rapidly evolving and services exports are growing in volume and value without being covered by adequate trade in services rules, which, for trade in goods, have been established and refined over the past 60-years. Advances in the global agenda for services have previously been stalled by delays in the WTO Doha Round so that specific improvements have been limited to those contained in regional and bilateral Free Trade Agreements. However, given the importance of services, there is a pressing need for TiSA to develop high standards for global trade in services, to allow for more significant and substantive gains to be made.

While the ECA strongly supports the negotiations between current TiSA parties, the parties are urged to not only consider TiSA but to also consider the longer term goal of having TiSA become a multilateral WTO Agreement and extending benefits to all parties on an MFN basis. For this to take place the parties currently negotiating TiSA need to consider how to attract broader international support.

The ECA recognises the considerable potential benefits to Australian businesses of expanding TiSA membership to include greater representation,



especially from key trading partners in Asia outside those currently represented, namely the Republic of Korea, Japan, Chinese Taipei and Hong Kong.

According to Australia's International Business Survey 2014, a recent survey commissioned by the ECA and undertaken with partners Austrade, EFIC and the University of Sydney, respondents identified China, the United Kingdom and the United States as the top three markets for professional services exports, while the United States, New Zealand and Indonesia were listed as the top three markets for technical services exports. Software and media exporters, many of which are exporters of services, identified the United Kingdom, United States and New Zealand as the top markets.

The ECA's members who provide services stand to benefit significantly from TiSA with the current parties involved in negotiations, particularly the European Union and the United States. Looking to the future, the ECA strongly hopes that TiSA will set a high standard for further liberalisation and accession, particularly in regards to Australia's significant trading partners in our region without compromising on the high quality of the agreement

Without limiting its support for comprehensive liberalisation across all the services modes, the ECA also recognises that such comprehensive liberalisation will not be able to be achieved immediately. Keeping that in mind, the ECA also wishes to set out some basic principles which it supports:

1. The ECA is not seeking unlimited access for Australian services exporters in all overseas markets. The ECA appreciates that Australian exporters do not have the desire and capacity to enter all services markets for all services in the economies of the parties negotiating the TiSA. ECA members wish to focus on those markets in which they have specific expertise such as professional and financial services, telecommunications, education and e-commerce
2. Those providing professional services understand that they will not secure access in all overseas markets but wish to be able to have access to the markets to assist their clients, whether those clients are involved in trade in goods or are also providing services. This may be limited to the ability to "fly in and fly out" with clients without the need for further licences or approvals, to be able to secure visas without delay and to be able to work with other service providers in those markets without restrictions. To these ends, the ECA supports the concept of a "Services Passport" which would enable the approved holder to travel between countries which are parties to the TiSA without impediment. The ECA believes that this should be more readily available than the current APEC Travelcard that has suffered from changes to qualification which have limited its availability and efficacy.
3. There are some basic aims which are held in common by ECA members and other services exporters. In the view of the ECA these include:
 - Mutual recognition of educational and professional standards
 - The ability to establish their own operations in their own name and/or enter into Joint Ventures or partnerships overseas in the countries of export
 - The ability to cross borders without undue limitation
 - The ability to have their investment protected without concern as to expropriation
 - To have equal access to support services and infrastructure in export markets
 - Freedom from further "behind the border" restraints
 - The ability to earn and keep revenues from the overseas markets without discriminatory taxes or penalties
4. MFN treatment for Australian exporters in overseas markets over and above the basic principles set out in the preceding paragraphs

5. Some form of access to independent resolution for disputes and threats to investment and the business in overseas markets. The ECA is aware of the wider concern as to broad ISDS provisions and while not necessarily endorsing such provisions for an ISDS, the ECA does believe that it is in the interests of all exporters that they have access to an independent body to mediate and if needs be, resolve disputes in overseas markets
6. That TiSA negotiations will result in substantial and immediate market access gains for both our members and services exporters more generally. The ECA is concerned that many services provisions in FTA's do not afford immediate gains but only commitments to work together to consider advances in the future.

The ECA believes that TiSA should deliver some immediate and basic gains, such as those set out above, together with a commitment from all parties to work together to achieve further gains in more advanced areas which includes a mechanism for those discussions and a firm schedule for the work.

Sincerely

A handwritten signature in cursive script, appearing to read "Ian Murray".A simple, horizontal handwritten flourish or underline stroke.

Ian Murray
Executive Chairman
Export Council of Australia