

## **ASEAN-China Agreement on Trade in Services Media Statement**

1. ASEAN and China reached another milestone at the ASEAN-China Summit in Cebu, the Philippines as Leaders from the ten ASEAN Member Countries and China witnessed the signing of the Trade in Services Agreement under the Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China (TIS Agreement) by the ASEAN Economic Ministers and China's Minister of Foreign Affairs.

2. The TIS Agreement, which will enter into force in July 2007, aims to expand trade in services in the region. Under this Agreement, services and services suppliers/providers in the region will enjoy improved market access and national treatment in sectors/subsectors where commitments have been made.

3. The market access commitments of the Parties to the TIS Agreement are contained in the first package of specific schedule of commitments that are attached to the Agreement. The TIS Agreement provides for liberalization on substantial coverage of sectors/subsectors especially in more than 60 additional subsectors committed by ASEAN Member Countries which are parties to the GATS/WTO.

4. In terms of level of ambition, the first package also shows higher market access commitments. It is expected that trade in services in the region would expand and grow in scale through the four modes of service delivery, namely: cross-border supply, consumption abroad, commercial presence, and movement of natural persons.

5. Aside from increased trade, the TIS Agreement is also expected to bring about higher levels of investments in the region, particularly in sectors where commitments have been made, namely:

- (a) business services such as computer related services, real estate services, market research, management consulting;
- (b) construction and engineering related services;
- (c) tourism and travel related services;
- (d) transport services; educational services;
- (e) telecommunication services;
- (f) health-related and social services;
- (g) recreational, cultural and sporting services;
- (h) environmental services; and
- (i) energy services.

6. Successive rounds of market access negotiations to substantially improve the level of commitment and broaden the subsector coverage of the TIS Agreement will be undertaken

over the next one year as the Agreement contains a built-in agenda for the conclusion of a second package of commitments one year from its entry into force.

7. The TIS Agreement is the second agreement concluded and signed under the Framework Agreement for Comprehensive Economic Co-operation between ASEAN and China, which was signed by the Leaders in November 2002. The Trade in Goods Agreement was signed by the Economic Ministers from ASEAN Member Countries and China in November 2004.