

Thank you, Mr. Chairman.

1. Mr. Chairman, a delicate horizontal balance was struck by Members in Hong Kong. While neither the Declaration nor Annex C, embody any new commitments or obligations aside from those already provided for in the GATS and the Negotiating Guidelines, Members are joined, in good faith, to make the document an additional basis for further work here in Geneva.
2. The Philippines, as we are confident all of us are, remains committed to the meaningful and successful conclusion of the Doha Development Round.
3. Let me outline, therefore, some broad themes that my delegation would consider vital, in addition to market access issues.
4. First is development. We must remain faithful to the shared vision to facilitate the participation of developing countries in the international trade in services, while taking account of their economic situation and level of development. These are the fundamental principles on which the negotiations rest, Mr. Chairman.
5. We will also recall that in the negotiations last year running up to Hong Kong, this Council was suddenly reacquainted with GATS article XIX from all our debates and discussions, and indeed the full flexibilities currently enjoyed by Members under the GATS is in no way impaired by Annex C.
6. However, we need to remember also that another important provision is GATS article IV, which provides for the strengthening of domestic services capacity of developing countries, and their efficiency and competitiveness. And an important sub-paragraph in this article that we wish to highlight today is the call for liberalization of market access in sectors and modes of supply of export interest to developing countries.
7. Two, Mr. Chairman, paragraph 4 of Annex C provides for an intensification of efforts to conclude the negotiations on rules making. We continue to believe in the need for emergency safeguards in the services sector. We agree that there are complex regulatory issues and divergent views on desirability and feasibility. We believe, however, that through international cooperation, most of the technical, legal or policy issues raised are not as impossible as they seem.
8. Three, Mr. Chairman, paragraph 5 of Annex C provides for the development of disciplines in domestic regulation before the end of the current round of negotiations. My delegation also reads this particular mandate in the light of paragraph 25 of the Ministerial Declaration that reaffirms the right of Members to regulate. We will look, therefore, to ensuring that the DR negotiations result in the optimal balance between the right to regulate (on a broad, horizontal basis), and providing for necessary disciplines,

- particularly on qualification requirements and procedures to reduce unnecessary regulatory barriers to trade in mode 4, which is of importance to developing Members.
9. Finally, let me state clearly today, as we have been doing so since last Fall, that it would not be wise for us to think that the plurilateral process of negotiations is the panacea to our disappointment in the services negotiations. One, someone has to exercise leadership in these negotiations. We expect the demandeurs in the market access side of the services negotiations to provide the leadership, particularly vis-à-vis their expectations from other Members, by giving genuine market access to developing countries in sectors of interest to them.
  10. We also continue to believe, as outlined in the Joint Statement of 29 September 2005 of some ASEAN Member States, that there remains room for improving the engagement between and among Members at the experts- and capital-levels, if only to allow a deep appreciation of trade interests of Members, and produce productive dialogue. And this, is a real and fundamental issue whether in the bilateral, plurilateral or multilateral settings.
  11. We will continue to urge Members, therefore, to reflect on and devise methods and approaches that will result in more focused and intense discussions of some technical issues, which are usually not possible in Geneva during the cluster, not only because of the absence of appropriate experts, but also because of the limited time.
  12. However, in this regard, we should also be mindful of the capacity constraints on the part of many small, developing country delegations. This is an important fact that is recognized both in the Guidelines and in Annex C; which should also be reflected in how the plurilateral process eventually evolves.
  13. We need not re-emphasize that the final wording of paragraph 7 of Annex C reaffirmed and does not alter the primacy of the request and offer method of negotiations, and that the desire for an increased level of commitments under paragraph 4 of GATS article 19, must yield to the due respect needed for national policy objectives mandated by paragraph 2 of GATS article 19. Needless to say, paragraph 7 of Annex C also reaffirms the primacy of capital based policy makers, and not Geneva consultations in the negotiations.
  14. In view of the foregoing, my delegation is ready to engage in discussing all possible options for making our work in the services negotiations more dynamic, better managed, and more efficient. I only wish to remind all of us, however, that time is not our friend.
  15. Thank you, Mr. Chairman.