



**UNITED ARAB EMIRATES
MINISTRY OF ECONOMY AND PLANNING**

**WTO NEGOTIATIONS IN SERVICES
PERSPECTIVE AND EXPERIENCE
OF
UNITED ARAB EMIRATES**

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BACKGROUND

UAE Trade Policy

- Liberal Trade Policy.
- using an open approach economy.
- depended upon market factors.
- fair competition.

All these are the principles of the WTO.

BACKGROUND

UAE & WTO

- UAE joined the WTO in April 1996

□ OBJECTIVES:

- To increase participation in the multilateral trading system.
- To benefit from the opportunities that the MTS and WTO offers.
- To enhance trade relations with worldwide.

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

PROCEDURES & OBJECTIVES

- Start the negotiations year 2000.
 - receiving requests from member countries.
 - consultation and coordination with national related authorities:
 - Local Governments, WTO national Committee, Private Sector.
 - subcommittees.
 - formulating national negotiating team
 - bilateral consultation and negotiations with member countries.
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NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

OBJECTIVES:

- To improve UAE commitments (Article XIX- GATS).
- To develop the national laws and regulations.
- To liberalize trade in services.
- To enhance private sector competitiveness
- responds to requests.

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

UAE SERVICES COMMITMENTS(existing):

UAE has horizontal (applying to all sectors) and sector-specific commitments:

Horizontal commitments:

relate to the limitations which are specified in the UAE schedule, namely:

- The commercial presence of foreign companies through either a representative office or a company with maximum foreign equity participation of 49 %.
- The acquisition of land and real estate is not permitted for foreigners or to companies in which foreign nationals have a share holding.

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

Horizontal commitments:

- The national foreigners or other companies with foreign share holdings may be required to pay taxes on income, contrary to the nationals.
- The Government subsidies may extend only to UAE nationals.
- The movement of natural persons is subject to the UAE labour and immigration laws.

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

Sector-specific commitments:

The specific commitments made by the UAE reflect a diversified coverage which essentially safeguards the national economic interests

- limitations on market access (mode 3 - commercial presence: foreign equity participation) are removed for some sub-sectors including professional services, computer and related services, research and development, advertising, testing and analysis, courier services, construction, environmental services, and tourism.
- Some sectors, such as telecommunications, insurance and distribution services have not been incorporated in the schedule for a reason or for the other one: the size of the national Market, the need of a long time to adapt those sectors with the foreign competition, their contribution in the national development efforts....etc.

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

UAE schedule includes
9 main sectors
48 sub - sectors

UAE NEW OFFER

some developed members (USA, EU, Japan, and Canada) requests from UAE to grant concessions in the aforementioned sectors.

- New initial Offer of UAE (improved services commitments)
- submitted to WTO June 2005

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

UAE NEW OFFER (summary)

Commercial presence will be through either: (i) a representative office or a branch with no limitations on the participation of foreign capital (foreign ownership of 100% is granted), provided that such office or branch appoints a UAE "services agent". The obligations of "services agent" shall be confined to rendering services i.e. issuing necessary licenses without requiring a share in the capital or interfering in the management; or

(ii) an incorporation as a company with maximum foreign equity participation of 49% subject to UAE law.

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

For some specific sectors and sub-sectors as indicated below, participation of foreign capital may be increased to 75% Commercial presence for such sectors and sub-sectors is conditioned on benefits in the form of technology transfer, Research & Development programmes, technical assistance, and educational and training of local human resources.

Legal services(Legal Advisory services)

Accounting, auditing and book-keeping services

Computer and Related Services

Research and Development Services

Others....

Free zones: 100% foreign ownership is permitted in Free Zones.

NEGOTIATIONS IN SERVICES EXPERIENCE OF UAE.

foreign companies authorized to carry on their activities in UAE may own land and real estate only to the extent necessary to conduct their activities, in accordance with laws and regulations governing ownership of real estate at the Federal and Emirate levels.

managers, executives and specialists

Their entry shall be for a period of three years renewable for additional periods.

(Was One Year)

INSURANCE AND INSURANCE RELATED SERVICES (liberalized)

THANK YOU