



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

Study for Final Review of Manufacturing Related Services Action Plan (MSAP)

APEC Group on Services

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1 Introduction

1.1 MSAP Background

Recent evidence shows that services take up a large portion of the activities in which manufacturing companies engage.¹ For example, it has been shown that a larger portion of world trade than previously thought is derived from services, according to recent research utilizing the OECD's Trade in Value Added (TiVA) and Structural Analysis (STAN) databases. In addition to outsourcing some of the operations to service providers, manufacturing firms are employing more talents for service-oriented internal activities, and are bundling, or even replacing, their products with services, like maintenance and warranties. Furthermore, in today's world that is increasingly connected through digital technologies, services are crucial parts of manufacturing companies' overall strategies to collaborate with their partners and customers in global value chains (GVCs).

Recognizing this, in 2014, the APEC Policy Support Unit (PSU) conducted an extensive analysis² of the aforementioned international databases, along with OECD's Services Trade Restrictiveness Index (STRI). The PSU found several services, such as research and development and business services, that add significant value to the manufacturing sector. The research team also concluded that multi-faceted efforts are needed to mitigate the negative effects of the complex and often cross-sectoral restrictions on such manufacturing related services, in order to support this "servicification" of the manufacturing sector.

Following the guidance from APEC leadership, APEC PSU continued its work to further understand the roles that services play in the manufacturing sector in the APEC region³, conducting sector-specific case studies in various APEC member economies that identified related services as well as regulatory measures that may be hindering their trade. In 2015, the APEC Committee on Trade and Investment (CTI) endorsed the Manufacturing Related Services Action Plan (MSAP).⁴ The plan's interim report, endorsed by CTI in 2018, identified the current progress on six categories of regulatory regimes and policy environments in the APEC region.⁵

The Covid-19 pandemic has significantly strained the global supply chains for goods and services, and has had devastating economic impacts throughout the Asia-Pacific region. It is critical to support capacity building and efficiency in international trade in order to facilitate swift economic recoveries, as promoted in the statement issued on 5 May 2020 by APEC trade ministers.⁶ Manufacturing related services are particularly crucial for economic recovery, as they are a key component of many multi-economy supply chains.

Manufacturing related services also play an important role in industries that are directly combating the pandemic, such as the manufacturing of personal protective equipment (PPE), critical healthcare equipment such as respirators and ventilators, and eventually vaccines for the virus, which will necessitate significant international cooperation. APEC-wide alignment on key issues such as how to define manufacturing related services, and support for the further liberalization of trade in these services has never been more critical.

1.2 Study Background

With the above background, the current project seeks to contribute to the Final Review of MSAP by building the basis for a common understanding of what constitutes manufacturing related services, and to support APEC economies in their efforts to liberalize the trade of such services.

This project is conducting research on the following two **Study Items**:

- 1) To identify and take stock of how the sectors of manufacturing related services are classified in the current version of Central Product Classification (CPC version 2.1); and

- 2) To analyze the chronological change of how member economies' commitments for manufacturing related services in General Agreement on Trade in Services (GATS) and Free Trade Agreements (FTAs) have updated over time, and to identify best practices in the liberalization of manufacturing related services in recent FTAs.

In order to accomplish the above goals, the project team researched and analyzed the current literature on trade in manufacturing related services, studying both APEC resources as well as a wide range of publications from organizations such as the Organisation for Economic Co-operation and Development (OECD), World Bank, Asian Development Bank, and the International Labour Organization (ILO). This research supported the creation of the following key deliverables:

- 1) A table of CPC codes for manufacturing related services that will support future World Trade Organization (WTO) discussions by APEC member economies
- 2) A report on how FTAs among APEC member economies have contributed to the liberalization of manufacturing related services in the APEC region. The report will include case studies from 3 APEC member economies that demonstrate examples of how their recent FTAs have approached challenges such as Foreign Direct Investment (FDI) restrictions and limitations on cross-border data flows.
- 3) A review of the MSAP, including an update on APEC activities since the release of the draft MSAP report.

This report and the accompanying Excel table of CPC codes (Annex E: Data Collection) addresses the first and second items listed above.

1.3 Background on Services Trade in APEC Region

APEC has consistently prioritized the expansion of the services sector among member economies. The key role of services throughout global manufacturing value chains is often under-recognized compared with the trade of those final outputs.

Importance of Services to APEC Region

In general, services are considered to be one of three parts of an economy's production, along with raw materials production and manufacturing. The services sector in advanced economies takes is responsible a larger percentage of GDP and total employment than in less developed economies, and ranges from 36% to 90% of GDP in the APEC region.⁷ Since the APEC region is quickly developing, services are playing an increasingly important economic role within APEC.

The most prominent subdivisions of the services sector in APEC are transportation and business, followed far behind by finance, public services and insurance.⁸ Business and transportation are over 30% and 50% of the value of services trade in APEC, respectively, while other sectors contribute less than 3% each.

In developing APEC economies, services typically represent approximately 55% of employment, while in developed APEC economies, that number can grow to 80% or more.⁹

Services also play an important role in achieving gender parity for workers in the APEC region. Approximately 75% of the estimated 600 million women in the workforce in APEC economies work in the services sector, compared with under 60% of men.¹⁰ Resolving challenges for workers in services trade will therefore also help to support women entrepreneurs and workers.

International Trade in Services in the APEC Region

In 2015, APEC economies had a combined commercial services trade value of \$5.86 trillion USD.¹¹ Commercial trade in services is also continuously expanding. From 2010 to 2017, trade in commercial services across the APEC region expanded by a rate of approximately 5%, greater than the average expansion rate of APEC and the global economy.¹² From 2016 to 2018, trade in services exports averaged 4.9% growth, while services imports averaged 4.8% growth.¹³ Services imports totaled \$2.23 trillion USD while services exports totaled \$2.28 trillion USD. For comparison, both merchandise imports and exports were valued at \$8 trillion USD in the APEC region. APEC's share of global services trade is about 40%, while APEC's share of global merchandise trade hovers at 50% of the total.

Key APEC Statements and Activities on Services Trade

APEC has put forth a variety of initiatives to promote general trade and prosperity in the region. More recently, they have focused much of their attention upon the services sector. APEC has made services a high priority since 2015 in a final push to achieve the Bogor Goals.

The following table is a brief timeline of significant APEC actions on services trade.

Table 1: Key Statements and Activities on Services by APEC

Year	Activity
1993	APEC establishes the Committee for Trade and Investment (CTI) in the declaration of the APEC Trade and Investment Framework in Seattle.

Year	Activity
1994	The Bogor Goals are established in Indonesia. ¹⁴ They seek to pursue “the long-term goal of free and open trade and investment in the Asia-Pacific”. This is one of the keystone APEC agreements, and many of the ongoing initiatives are based upon achieving the Bogor Goals. The Bogor Goals deadline was set to be 2020.
1995	APEC leaders gather in Osaka and establish the <i>Osaka Action Agenda</i> , which sets more specific policy recommendations to help achieve the Bogor Goals. Implementation began in 1997 and the agenda is reviewed annually.
1997	The <i>Osaka Action Agenda</i> mandates that the CTI establish the Group on Services (GOS) to address trade and liberalize investment in the services sector. ¹⁵
2010	The <i>APEC Strategy on the Movement of Business People</i> is endorsed by GOS and the Business Mobility group. This provides a blueprint for APEC economies to improve and clarify the rules and regulations placed upon businesspeople working across borders. Additionally, this strategy encourages economies to let workers from abroad stay temporarily to finish their duties.
	APEC leaders confirm the <i>Free Trade Area of Asia Pacific (FTAAP)</i> as a goal. ¹⁶ This would increase economic integration in the APEC region as well as reduce trade costs.
2011	The <i>Services Trade Access Requirements (STAR) Database</i> was built, offering an easier way for service firms to access relevant APEC markets. ¹⁷
2014	Japan proposes the Manufacturing Related Services Action Plan (MSAP), which would increase accessibility of services by liberalizing policy relating to manufacturing related services and increase economic integration in the APEC region. This will be discussed in more detail in Section 4.
2015	Japan proposes the <i>Environmental Services Action Plan (ESAP)</i> , which would develop a plan to improve regulatory and trade promotion in Environmental Services. Additionally, member economies will study industries under the Environmental Services umbrella closely to gain a common understanding of the roles these industries play. ¹⁸
	The CTI endorsed the Manufacturing Related Services Action Plan (MSAP). ¹⁹
	APEC leaders adopt the <i>APEC Services Cooperation Framework (ASCF)</i> , which recognizes the magnitude of the services sector, and seeks to bolster regional cooperation within services in pursuit of the Bogor Goals. ²⁰
2016	The ASCF leads directly to the <i>APEC Services Competitiveness Roadmap</i> , which specifies targets and goals for 2025 for member economies to increase APEC’s role in the global services sector. ²¹
2018	APEC is developing a Trade in Value Database (TiVA), which measures the value added to goods through services. ²² This will provide an effective way to evaluate the services industry and allows for easier flow of information.
	The MSAP interim report is endorsed by CTI in 2018. The interim report identified the current progress on six categories of regulatory regimes and policy environments in the APEC region. ²³
2019	APEC Ministers approved a final push (proposed by Chile, the host economy) to achieve the Bogor Goals by centering study upon services, and this represents many of the initiatives mentioned in prior years. This includes domestic services regulation, the index on restrictions in services within APEC economies, improving mobility of labor related to services, and improving environmental services in conjunction with MSAP.
	The APEC Non-Binding Principles for Domestic Regulation of the Services Sector introduced and recognized by the Ministers. ²⁴ The United States subsequently undertook a study to analyze the importance of sensible regulation in services in 2020. This policy ensures that information is readily available, contacts are available to attain information, and slowing down timelines for new regulation.

Source: Washington CORE, based on various APEC statements and publications

Future Priorities for Services Trade in the APEC Region

The CTI is seeking to improve the movement of services across borders to promote economic expansion in the region. This is encapsulated in the Bogor Goals, which are expected to conclude at the end of 2020. The APEC PSU will conduct a final review in 2020 of the Bogor Goals. In the 2020 APEC discussions in Malaysia, APEC leaders will consider reports by Pacific Economic Cooperation Council (PECC) and the APEC Vision Group for guidance to build new goals for 2040.^{25 26} These proposals align with many of the ideas brought up by APEC for the improvement of trade and services.²⁷

Another important long-term target goal is the Free Trade Area of the Asia-Pacific (FTAAP), which will allow for significantly reduced trade barriers in the region. The implementation of a full FTAAP would directly improve the efficiency and scope of the services trade. CTI is currently working on improving trade facilitation through the Subcommittee on Customs Procedures, which will reduce costs of business over borders and thus across supply chains.

2 Defining Manufacturing Related Services

2.1 Overview

Manufacturing related services are developing rapidly across the APEC region, and bilateral and multilateral trade agreements are being adapted to reflect the changing situation for services trade. One of the key goals of this study is to analyze how APEC member economies have utilized modern trade agreements to support the liberalization of manufacturing related services.

In order to conduct this research, it has been necessary to recognize the current situation for manufacturing related services in trade agreements, including both how new services are categorized in trade agreements, as well as how different economies are approaching the challenges that these services face.

This section describes how this project has created a definition for manufacturing related services, and how the project has utilized that definition to identify and take stock of how the sectors of manufacturing related services are classified in the current version of Central Product Classification (CPC version 2.1).

This research supports the analysis of how APEC member economies' commitments for manufacturing related services in GATS and FTAs are structured and how FTAs among APEC member economies have contributed to the liberalization of manufacturing related services in the APEC region.

2.1 Defining the Sector via MSAP

APEC leaders declared at the November 2014 APEC Economic Leaders' Meeting (AELM) that they "welcome[d] the initiative on manufacturing related services in supply chains/value chains as a next generation trade and investment issue, and instruct officials to develop a plan of action in 2015."

Following this instruction, the APEC PSU conducted a series of case studies through interviews with manufacturing companies in the APEC region to study the role of services in manufacturing businesses, and to explore the potential policies that could support those services. The case study findings were published in 2015 in the APEC PSU report *Services in Global Value Chains: Manufacturing-Related Services*²⁸, which contained analysis of a wide range of activities conducted by firms across multiple phases of operations.

Based on the PSU's case study research, the MSAP included a list of services that were identified as examples of services supporting manufacturing sectors. The MSAP noted that "taking into account different levels of development, each economy will have a leeway to specifically define the scope of manufacturing related services in their domestic context."²⁹ The reference was not intended to establish any formal definition of manufacturing related services as a new service classification. This list is provided below.

Table 2: Types of Manufacturing Related Services³⁰

Production Stage	Services Inputs
Pre-manufacturing stage including sourcing and importation of raw materials	Product research and development
	Product design services
	Engineering services
	Procurement services
	Customs clearance services and logistics of raw materials
	Technical testing
	Freight insurance of raw materials
	Storage and warehousing services of raw materials
	Training services for staffs
	Installation services of equipment
Manufacturing stage	Production administration – Production management
	Manufacturing services provided in-house and by suppliers of activities such as basic machining
	Engineering services during manufacturing
	Warehousing services for intermediate goods
	Quality control and assurance as well as compliance with ISO
Post-manufacturing stage	Certification and commissioning services of equipment
	Packaging services
	Warehousing services for products
	Freight insurance of products
	Telephone-based technical support services
	Warranty, maintenance, repair and overhaul services
	Travel services for engineers and other staffs pertaining to after-sales services

2.2 Studying the Sector via Central Product Classification Codes

Background

One of the outcomes of this project is a database in Excel format (Annex E: Data Collection) that provides a list of many manufacturing related services as they are classified across the Central Product Classification (CPC), a product classification for goods and services promulgated by the UN Statistical Commission.

The CPC is intended to be an international standard for organizing and analyzing data on industrial production, trade, services, prices and so on. The CPC provides an international framework for comparison for data regarding products and services, and promotes the harmonization of various types of statistics for trade and regulations. The standard has gone through several updates since the provisional CPC was first released in 1991, and it is now in version 2.1.

The coding system of the CPC is hierarchical, and consists of:

- Sections (identified by the first digit),
- Divisions (identified by the first and second digits),
- Groups (identified by the first three digits),
- Classes (identified by the first four digits),
- Subclasses (identified by all five digits, taken together)

Each level of the coding system becomes increasingly specific to a good or service. For example:

Table 3: Example of Hierarchy of CPC Codes (Prov. CPC)ⁱ

Code	Description
8	Business services; agricultural, mining and manufacturing services
88	Agricultural, mining and manufacturing services
884	Services incidental to manufacturing, except to the manufacture of metal products, machinery and equipment
8849	Manufacture of furniture; manufacture of other articles n.e.c.; recycling, on a fee or contract basis
88492	Manufacture of other articles n.e.c., on a fee or contract basis

The provisional CPC system was used in the negotiations over the General Agreement on Trade in Services (GATS). The CPC code system continues to be used in trade agreements to identify goods and services covered in those agreements. Therefore, identifying the codes that correspond to manufacturing related services can support the development of future research on this topic.

Identifying Manufacturing Related Services Codes through Analysis of PSU Study

2.2.1.1 Research Approach

In 2015, the APEC Policy Support Unit (PSU) published a study, *Services in Global Value Chains: Manufacturing Related Services*³¹, to understand how services and manufacturing interact to produce manufactured output. The study utilized a case study approach to dig down to a fine level of detail regarding the on-the-ground realities for firms involved in manufacturing related services.

The PSU study identified a number of tentative policy implications, based primarily on the perspectives of firms – particularly but not exclusively foreign firms – operating in various APEC economies. The study sought to call attention to how policies for manufacturing related services are designed and whether they embrace the most efficient, cost-minimizing manner of achieving their putative goals.³²

In order to identify and take stock of how manufacturing related services are classified, this research project utilized the publication’s case study chapters to create an excel spreadsheet listing the project codes (in the CPC ver. 2.0 used in the publication) in four phases (pre-manufacturing, manufacturing, post-manufacturing and post sales services) that were identified across the 20 case studies in the publication (Annex E: Data Collection).

The spreadsheet notes each case study chapter that the code fell under in order to better grasp how many of the case study chapters included each manufacturing services code. By doing so, the project team was able to gather the manufacturing related services CPC 2.0 codes on one spreadsheet to set a clear definition of manufacturing related services.

The project team categorized the codes into two sets: the set of manufacturing related services that were specifically identified in MSAP, and a second set of codes that were not identified in MSAP but may still be relevant to manufacturing in some economies.³³ The codes that correlate to each section are identified in Row A of each tab of the excel table (Annex E: Data Collection).

Advantages and Disadvantages of Research Approach

ⁱ Provisional CPC, UN Stats, 1991.

https://unstats.un.org/unsd/classifications/Econ/Download/In%20Text/CPCprov_english_structure.txt

The key advantage of this research approach has been that the codes identified through study have been verified as major services supporting manufacturing in the APEC region through rigorous case study research. The services codes identified should therefore closely correlate to the services codes in usage by many manufacturing related services firms and manufacturers.

In addition, this approach has also helped the project team to identify the frequency of services in usage in those case studies, which may prove useful for future research projects supporting MSAP.

However, the disadvantage of this approach is that it is limited to the services codes that were identified through the case studies. Since case studies from the 2015 PSU study were not able to cover all economies or all manufacturing sectors, it is therefore possible that there are some services that are important for manufacturing industries in some economies which are not reflected in the codes tables.

In order to mitigate the risk that the codes identified may not cover some important manufacturing services, the research team added an additional level of data by listing the four-digit CPC parent “class” code for many of the five-digit “sub-class” codes that were identified.³⁴ These codes are colored in red in the excel table to differentiate them from the codes that are supported directly by the case study research.

The addition of these codes was done in order to broaden the findings from the code research in case the codes that were initially identified were too narrow in scope. However, the possibility remains that some codes relevant to some economies’ manufacturing sectors may not have been captured through this research.

Considering that the rapid development of technology, especially online/remote technologies that have become critical for many firms during the Covid-19 pandemic, may have a significant effect on manufacturing and services trade, future work on MSAP should be flexible in creating any definitions for services, so that the definitions do not become obsolete in a short time.

The codes listed in this table should be considered as a starting point for a wider view of manufacturing related services, but with the understanding that individual economies may choose to either include additional services or exclude certain services in their own definitions for manufacturing related services.

2.2.1.2 Sample Table of Codes Descriptions

The following sample table shows how services and accompanying CPC codes identified by the APEC PSU match to the manufacturing related services identified in MSAP. The full table available in the Excel spreadsheet (Annex E: Data Collection).

Table 4: Types of Manufacturing Related Services³⁵

Production Stage	Services Inputs	CPC 2.0	Description
Pre-manufacturing stage including sourcing and importation of raw materials	Product research and development	8111	Research and experimental development services in natural sciences
		8112	Research and experimental development services in engineering and technology
		81129	Research and experimental development services in other engineering and technology
		8140	Research and development originals
		81400	Research and development originals

		8370	Market research and public opinion polling services
		83700	Market research and public opinion polling services
		9114	Government services to research and development
	Product design services	8314	Information technology design and development services
		83141	IT design and development services for applications
		83142	IT design and development services for networks and systems
		83143	Software originals
		8391	Specialty design services
		83912	Industrial design services
		83919	Other specialty design services
		8392	Design originals
		83920	Design originals
		8393	Scientific and technical consulting services n.e.c.
		83939	Other scientific and technical consulting services n.e.c

Comparing Codes across CPC Versions

The report creates crosswalks to facilitate comparison between how these services were categorized in different versions of the CPC. The CPC has gone through a number of iterations since its first version, the Provisional CPC, was published in 1991.

While the provisional CPC is the most widely used version, since it was used in the GATS negotiations and it is the commonly used version in FTAs, recent research studies by APEC and other organizations have used more recent versions such as CPC 2.0, which may better reflect modern services trade activities than the older versions. These crosswalks are therefore required for any robust analysis of changes in liberalization commitments over time.

The following codes are included in the report:

- Provisional CPC (used in GATS negotiations and FTAs)
- CPC 1.1
- CPC 2.0
- CPC 2.1 (the most recent version)

2.3 Reviewing Manufacturing Related Services in Trade Agreements

Background on GATS

The General Agreement on Trade in Services (GATS) was a historic agreement between all members of the WTO, which entered into force in 1995. The purpose of GATS was to liberalize trade in services, which at the time were responsible for over two-thirds of global production and employment but only 25% of trade.³⁶

Under the GATS, all economies are required to adhere to a set of general obligations that cover all service sectors. Economies also have discretion to lay out sector-specific commitments with regards to Market Access and National Treatment of foreign service suppliers. Market Access addresses the extent to which foreign service providers can act within a given economy, while National Treatment covers differences between the rights afforded to domestic and foreign providers.

Internationally-traded services can be delivered through any of four “Modes of Supply”. In GATS, economies were able to specify Market Access and National Treatment commitments and restrictions concerning each of the modes. The following table lists each mode of supply.

Table 5: Trade Agreement Modes of Supply

Mode (No)	Definition
Cross-border supply (1)	Services supplied from the territory of one economy into the territory of any other economy
Consumption abroad (2)	Services supplied in the territory of one economy to the service consumer of any other economy
Commercial presence (3)	Services supplied by a service supplier of one economy, through commercial presence, in the territory of any other economy
Presence of natural persons (4)	Services supplied by a service supplier of economy, through the presence of natural persons of an economy in the territory of any economy

Each government that signed the GATS drew up a Schedule of Specific Commitments, which is annexed to the GATS. Each schedule is generally divided into 12 broad sectors, which are in turn broken down into some 150 sub-sectors.³⁷

The Agreement also includes a section for horizontal commitments, which are commitments that apply across all sectors. For each service sector, the Schedules describe:

1. terms, limits and conditions that the signatory placed on market access for foreign service suppliers;
2. conditions and qualifications that the signatory placed on national treatment for foreign service suppliers; and
3. undertakings relating to additional commitments (for example, on licensing or standards).

If an economy placed no limitations on market access or national treatment for a specific service sector or mode of supply, it entered "none" in the Schedule. If it wished to make no commitments to accord market access or national treatment, it entered "unbound".³⁸ The table below provides an example of a typical services entry in GATS.

Table 6: Sample GATS Obligation³⁹

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional comments
Engineering services (8672)	1) None 2) None	1) None 2) None	

	3) None 4) Unbound except as indicated in the horizontal section	3) None Unbound except as indicated in the horizontal section	
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In the above table, there are no specific restrictions on either market access or national treatment for this service, except for (4) presence of natural persons, which has some restrictions that are placed across all services sectors in a horizontal section.

Services Codes in GATS

The GATS employs a services sectoral classification list (called the W/120), which is a comprehensive list of services sectors and sub-sectors covered under the GATS. It was compiled by the WTO in July 1991 to support trade negotiations, ensuring cross-economy comparability and consistency of the commitments undertaken. The 160 sub-sectors are defined as aggregate of the more detailed categories contained in the UN provisional Central Product Classification (CPC).⁴⁰

Reviewing FTAs for Chronological Updates to GATS Commitments

Economies may periodically revise their GATS commitments, or they may commit to more open market access for specific trading partners through bilateral or multilateral trade agreements. The commitments laid out in in GATS are therefore a floor which may be improved over time.

This research explored how economies' GATS commitments have evolved over time through bilateral or multilateral trade agreements among fellow APEC member economies.

The CPC codes that were identified through the analysis of the PSU study were checked against the GATS commitments for each of the 3 case study economies. The research then compares their GATS commitments to the updated commitments in a subset of FTAs with APEC economies since 2009, in order to determine the extent to which different manufacturing related services have been liberalized over time. The findings for each case study economy are described in the individual economy profiles.

2.4 Excel File of CPC Codes and Manufacturing Related Services Commitments in GATS and Trade Agreements

Following the steps described above, the project team created an Excel file with the combined output of the work described in this section:

1. All manufacturing related services CPC codes that were identified through the analysis of the APEC 2015 PSU study case profiles on manufacturing related services, broken down by a tab for each production phase (pre-manufacturing, manufacturing, post-manufacturing, and after-sales services)
2. Each table of codes includes multiple CPC code versions (provisional CPC, CPC 1.1, CPC 2.0, and CPC 2.1) to support future work that may involve different CPC code versions
3. Tabs for each case study economy (Australia; Canada; and Peru) listing the manufacturing related services CPC codes that had reservations listed in GATS, and the changes (if any) to those codes in a subset of trade agreements concluded with APEC member economies from 2009-2020.

The Excel file is included as the Annex E: Data Collection to this Word document.

3 Addressing Challenges for Trade in Manufacturing Related Services

3.1 Overview of Case Study Contents

The 3 case studies in this section were selected through literature research to provide a wide range of experiences and best practices in addressing challenges for manufacturing related services through trade agreements.

Selection Process

The project team first utilized APEC publications and the APEC Meeting Document Database to ensure that the work reflects the latest discussions taking place in the APEC CTI / GOS projects, meetings and workshops. The examples include but are not limited to the following:

- Workshop for Sharing Best Practices of Applying the APEC Non-Binding Principles for Domestic Regulation of the Services Sector (2019)
- Workshop on Translating APEC's Non-Binding Principles for Domestic Regulation for the Services Sector into Practice: A Focus on Transparency and Predictability in Rule Making (2019)
- Structural Reform and Services (2017)
 - New Zealand: Electricity Retail Services Market Reform
 - Chinese Taipei: Telecommunications Testing and Certification Services Reform
- Services, Manufacturing and Productivity (2015)
- Survey on MSME/MSME Related Provisions in APEC Economies' FTA/RTAs⁴¹

The research team also identified publications from outside of APEC that describe the services commitments of economies when they are negotiating services chapters in FTAs. For example, *India's Economic Integration in Services with ASEAN: From Bilateral FTAs to RCEP*, outlines services commitments that have been made between ASEAN and India in FTAs,⁴² while the Asian Development Bank's "Prospects for Services Trade Negotiations" outlines notable exclusions and precedent services commitments between several APEC Economies.⁴³

The project team then conducted research on each member economy's FTA manufacturing related services commitments from 2009-2015. The research team created a chart that lists each APEC member economy and the FTAs that the economies signed or put into force during 2010-2015. The team then reviewed multiple FTAs signed by APEC economies in 2017, 2018 and 2019 to assess whether they included sections addressing trade in services.

Identifying Challenges

The research process also considered challenges faced by firms involved in the trade of manufacturing related services. The 2015 PSU study identified a number of tentative policy implications for APEC to address challenges for manufacturing related services, based primarily on the perspectives of firms – particularly but not exclusively foreign firms – operating in various APEC economies. The study sought to call attention to how policies for manufacturing related services are designed and whether they embrace the most efficient, cost-minimizing manner of achieving their putative goals.⁴⁴

These policy implications focused particularly on challenges that manufacturing related services businesses faced, in areas such as:

1. Investment policy (FDI restrictions)
2. Labor-related restrictions
3. Localization and human capital constraints
4. SMEs in GVCs and standards conformity
5. Intellectual property
6. Infrastructure bottlenecks (such as customs-related procedures)
7. Government services and trade policy affecting goods trade (Regulatory and policy environment, customs-related procedures)

Following up from the 2015 study, this research project then utilized publications on trade policy to identify the challenges that are specifically resolvable through trade agreements rather than domestic policy.

The challenges identified in this study closely match the policy implications in the PSU study. However, *infrastructure bottlenecks* were not analyzed as those are dependent on domestic policy infrastructure policy and are not impacted by international trade agreements. Instead, this research study focused on the new challenge of *limitations on cross-border data flows*, an issue of increasing importance to global manufacturers.

Many of the challenges studied in this comparative FTA research are addressed through horizontal trade commitments that broadly address services trade challenges. These include commitments to address issues in limitations on cross-border data flows, FDI, and intellectual property protections. While these topics are not focused on manufacturing related services, they have important implications for manufacturers and services providers, and are considered in the case studies in order to provide a broader scope of knowledge on relevant topic areas.

The challenges are described in the table on the following page:

Table 7: Challenges that May be Addressed through Trade Agreements

Challenge	Description
Investment policy (FDI investment restrictions)	<p>Equity restrictions in services are more prevalent and stringent than restrictions in manufacturing because many economies have preferential investment policies towards manufacturing investments. These can include:</p> <ul style="list-style-type: none"> • Equity ownership restrictions⁴⁵ • Screening of foreign investments, such as a stipulation of minimum capitalization requirements, the need for cabinet-level approval, or the imposition of an economic needs test • Restrictions on key personnel • Limitations on firms' operations • Restrictions on land ownership • Other sector-specific limitations
Employment and Business Travel Restrictions	<p>Economies may place restrictions on the hiring of persons or restrict foreign workers from entering their economies. These restrictions include:</p> <ul style="list-style-type: none"> • Worker quotas • Economic needs tests, such as requirements to prefer domestic workers or strict language tests • Costly visa/permit procedures or limitations, which require significant documentation or cause long delays)
Localization and human content restrictions	<p>These are requirements for local content in the industry. For example, an economy might require a percentage of workers to be citizens of the economy.</p>
Intellectual property protections	<p>Some economies require the local transfer of technology (and intellectual property), whether for imported components or for manufacturing. A lack of international agreements on IP protections may hinder businesses' willingness to conduct operations in other economies</p>
Standards conformity (Difficulty to comply with standards or qualifications)	<p>Many manufacturing related services involve work that requires certification and a high level of knowledge that must be transferred across economies by visiting workers, such as architects, engineers, or consultants. If an economy does not recognize the qualifications for skilled services workers in specific fields, then it can be challenging for those services industries to maintain standards requirements in multiple economies.</p>
Limitations on cross-border data flows	<p>Limitations on cross-border data flows can hampers large manufacturing firms as they become more services-oriented. Recent trade agreements such as the USMCA are now targeting this as a new topic area.</p>
Customs issues: procedures, single-window, re-manufacturing goods, standards	<p>Manufacturers and supporting services firms may need to hire customs brokers to navigate complicated procedures, especially regarding differing standards or unclear standards and definitions for re-manufactured goods. Reducing barriers will help impact manufacturing firms in general, many of which are taking on more and more services components as part of their work.</p>

Source: Created by Washington CORE based on various sources⁴⁶

Identifying Case Study Economies

Based on the findings above, the research team then identified 3 economies for case studies. In order to qualify as a case study, the economy must have fulfilled the following criteria:

- FTA texts and supplemental information publicly available in English
- Signed FTAs in or after 2015, the year MSAP was endorsed
- Signed RTAs in addition to bilateral FTAs (e.g. USMCA or CPTPP)
- FTAs that include sections on Trade in Services

In addition, the following criteria were used to select a range of different case study economies:

- Economic representation of both developing and developed economies
- Diverse geographic representation

The following table lists the 3 economies for the case study research.

Table 8: Case Study Economies

#	Economy	APEC FTAs from 2009-present analyzed in research (year signed)	Area	Economic Situation
1	Peru	Peru-Australia FTA (2018, not yet ratified) CPTPP ⁱ (2018) Pacific Alliance FTA ⁱⁱ (2014) Peru-Japan FTA (2011) Mexico-Peru FTA (2011) Korea-Peru FTA (2011) China-Peru FTA (2009)	Latin America	Developing
2	Australia	Indonesia-Australia CEPA (2020) Hong Kong, China - Australia FTA (2019) CPTPP (2018) Peru- Australia FTA (2017) China- Australia FTA (2015) Japan- Australia EPA (2014) Korea- Australia FTA (2014) Malaysia- Australia FTA (2012)	Oceania	Developed
3	Canada	US-Mexico-Canada Agreement (USMCA) (2018 ⁱⁱⁱ) CPTPP (2018) Canada-Korea FTA (2014 ^{iv})	North America	Developed

ⁱ The CPTPP is a free trade agreement between 11 economies in the Asia-Pacific region: Australia; Brunei Darussalam; Canada; Chile; Japan; Malaysia; Mexico; New Zealand; Peru; Singapore; and Viet Nam.

ⁱⁱ The Pacific Alliance includes Peru; Chile; Colombia and Mexico

ⁱⁱⁱ Entered into force in 2020

^{iv} Entered into force in 2015

Case Study Profile Contents

Each case profile includes the following:

- **Background:** Describes the economy’s recent trade liberalization activities within APEC, and the contributions of the services industry to the local economy.
- **Addressing MSAP Challenges through Trade Agreements from 2009-2020:** Describes the economy’s activities to address MSAP challenges in the following sections:
 - Analysis of commitments on some specific manufacturing related services and how they have been liberalized over time from the original GATS through modern trade agreements
 - Analysis of three trade issues for manufacturing related services that the economy has addressed through trade agreements

The 7 challenges identified in this report are studied in the case profiles as shown below:

Table 9: Case Study Approach to Challenges

Economy	Issues
Australia	Reducing FDI restrictions
	Improving standards conformity
	Intellectual property protections
Canada	Reducing customs issues
	Promoting cross-border data flows
	Easing employment and business travel restrictions
Peru	Reducing localization and human content restrictions
	Easing employment and business travel restrictions
	Improving standards conformity

3.2 Australia

Background

APEC FTAs from 2009-present analyzed in research	Year Signed
Indonesia-Australia Comprehensive Economic Partnership Agreement (CEPA)	2020
Hong Kong, China - Australia FTA	2019
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	2018
Peru- Australia FTA	2017
China- Australia FTA	2015
Japan- Australia EPA	2014
Korea- Australia FTA	2014
Malaysia- Australia FTA	2012

3.2.1.1 Trade Liberalization Activities within APEC

Australia has signed 14 FTAs/RTAs that include one or more APEC economies, including 8 agreements that have entered into force since 2012.⁴⁷ These FTAs include several forward-looking agreements that address issues in services trade, including updates to Australia’s obligations under the GATS for manufacturing related services. Australia’s experiences therefore provide a useful opportunity to learn from and study the long-term commitments that the economy has made from through FTAs in recent years.

3.2.1.2 Importance of Services to Australia’s Economy

The services sector accounts for over 70% of Australia’s GDP and 21.6% of Australia’s total exports. Professional services account for \$4.8 billion AUD, while business travel services in Australia adds up to \$4.2 billion AUD.⁴⁸ Additionally, according to the Reserve Bank for Australia, non-travel services, including modern business services and management consultancy services, account for 35% of Australia’s total services exports.⁴⁹

Addressing MSAP Challenges through Trade Agreements from 2009-2020

Australia has worked toward addressing several MSAP challenges through commitments that it has made in FTA negotiations since 2009. Notably, Australia has worked to decrease localization in a human capital development program between themselves and Indonesia, decreased FDI restrictions in numerous FTA negotiations, and addressed mutual recognition of standards in sectors such as engineering services.

3.2.1.3 Updates to GATS Obligations on Manufacturing Related Services

Summary

Much of Australia’s services industry was already liberalized in its original GATS commitments. However, Australia has agreed to additional commitments in modern FTAs for manufacturing related services, including “repair services of other transport equipment” and “travel agency/tour operator services.” These commitments remove the “unbound” reservations for specific modes for those services, meaning that the services are no longer open to specific restrictions in those modes (*see Section 2.3 of this report for an overview of GATS obligations and how to read them*).

Table 10: Updates to GATS Obligations on Manufacturing Related Services

Prov. CPC	Description	GATS Obligations (Summary)	Policy Areas	FTA Improvements ⁵⁰ <i>Indonesia-Australia CEPA (2020)</i> <i>Peru-AUS FTA (2017)</i>
8868	Repair services of other transport equipment, on a fee or contract	1. Unbound* 2. None. 3. None 4. Unbound, except as indicated in horizontal section	N–A - no specific reservations	<i>[Peru-AUS FTA only]</i> Replace existing commitment on “Maintenance and repair of aircraft” with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
7471	Travel agency and tour operator services	1. Commercial Presence Required 2. None. 3. None 4. Unbound, except as indicated in horizontal section	N–A - no specific reservations	<i>[Peru-AUS FTA only]</i> Replace existing commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.

3.2.1.4 Reducing FDI Restrictions

FDI restrictions are policies implemented to ensure that economies can guarantee control over assets of critical strategic significance, including assets that are owned by foreign investors. Australia has committed to addressing FDI restrictions through the following key activities in its recent FTAs:

1. Increasing the screening level of foreign investments with 4 APEC economies since 2009
2. Creation of investor-state dispute settlement (ISDS) mechanisms in agreements with 8 APEC economies

Good Practices Example: Increasing the screening level of foreign investments

Equity restrictions in services are common FDI barriers in both developed and developing economies due to concerns that services FDI have the potential to eliminate jobs and increase competition for domestic service providers. One common method to restrict FDI is to implement investment screening levels.

Foreign investment in Australia is primarily governed by the *Foreign Acquisitions and Takeovers Act 1975 (FATA)*. In Australia, investments over the investment screening threshold must be screened by the Foreign Investment Review Board (FIRB). FIRB advises the Treasurer with advice on investment proposals above the screening threshold. The Treasurer has the ability to deny foreign investment if they deem it as contrary to the economy’s interest or may attach conditions to the approval of the investment.⁵¹

Most FDI from private interests over an A\$252 million threshold is subject to review and decision by the Treasurer.⁵² While the standard screening level for investments is \$252 million AUD, Australia has liberalized its FDI regime through increasing the screening level of foreign investments to \$1,094 billion AUD for many APEC trade partners, including China; Hong Kong, China; Japan; and Korea. Raising FDI screening levels liberalizes the regime and makes investing in Australia more attractive because at a higher screening level, investors are able to invest more money in Australia and avoid the negotiating the review process by the FDIB, reducing costs and time.

The economic impact of the covid-19 pandemic led to a temporary pause in the liberalization of investment screening, and proposed foreign investments which are subject to the FATA will require

approval by the Treasurer, regardless of the value or the nature of the foreign investment.⁵³ However, the Treasurer indicated that the new measures were temporary, and were only intended to last only for the duration of the coronavirus outbreak, stressing that *“This is not an investment freeze. Australia is open for business and recognizes investment at this time can be beneficial if in the ... interest [of the economy].”*⁵⁴

Good Practices Example: Creation of investor-state dispute settlement (ISDS) mechanisms

ISDS is an instrument of public international law which provides a mechanism for disputes between foreign investors and host economies. If both the investors’ home economy and the host economy have agreed to an ISDS, then a foreign investor that believes that their rights have been violated by the host economy may bring the matter before an independent tribunal, usually comprising three arbitrators.

ISDS promotes investor confidence, and can protect against sovereign or political risk. Common disputes that can be resolved through them include:

- obligations setting parameters on expropriation of a foreign investors’ property;
- non-discrimination and minimum standards of treatment (such as protection against denial of justice);
- a commitment to ensure foreign investors will be able to move capital relating to their investments freely, subject to appropriate safeguards.

Australia has ISDS provisions in nine FTAs, all involving APEC member economies:

- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- China–Australia FTA
- Korea–Australia FTA
- Australia–Chile FTA
- Singapore–Australia FTA
- Thailand–Australia FTA
- ASEAN–Australia–New Zealand FTA
- Peru-Australia FTA
- Hong Kong, China - Australia FTA

The following table lists Australia’s actions through trade agreements to address FDI restrictions in agreements from 2009-2020:

Table 11: Addressing FDI Restrictions

Year Signed	Agreement	Action
2012	Malaysia-Australia FTA	Both economies committed to promoting and facilitating investment through supporting joint investment promotion activities, facilitating provision and exchange of investment information including laws, regulations and policies to increase awareness of investment opportunities and fostering technical cooperation in mutually agreed sectors. ⁵⁵
2014	Korea-Australia FTA	Australia increased the threshold for screening of investment. ⁵⁶ The agreement also includes an ISDS to ease risks for investors from both economies. ⁵⁷
2014	Japan- Australia EPA	Australia raised the investment screening level threshold from \$248 million to \$1.078 billion (updating year-by-year).
2015	China- Australia FTA	Australia raised the investment screening level threshold from \$248 million to \$1.078 billion (updating year-by-year). In addition, the FTA included China’s first FTA commitment on manufacturing services, as China guaranteed access for wholly Australian-owned subsidiaries to provide contract manufacturing

		services, providing certainty for Australian investors in China’s manufacturing sector. ⁵⁸
2017	Peru- Australia FTA	Includes an ISDS in order to ease risks for investors from both economies. ⁵⁹
2019	Hong Kong, China - Australia FTA	Australia raised the monetary threshold for screening investments from \$248 million to \$1.078 billion (updating year-by-year). The agreement also includes an ISDS. ⁶⁰
2020	Indonesia- Australia CEPA (2020)	The agreement includes an ISDS. ⁶¹ Neither economy can impose performance requirements for investments, such as restricting the sale of goods or services that the investment produces or supplies. ⁶² In addition, Indonesia liberalized several sectors related to manufacturing related services, through a provision that grants Australians the right to enjoy majority ownership in sector such including urban planning, architectural, engineering, surveying, construction services, wastewater management and transport services. ⁶³

3.2.1.5 Improving Standards and Qualifications Conformity

Professional services are consistently ranked in the top four largest services exports for Australia, and play an essential role in facilitating international trade and investment, and in promoting economic growth and business confidence.

However, professionals practicing overseas may need to meet domestic licensing, registration or other requirements that are designed to protect consumers and the public. This includes Australian professionals providing services to international manufacturing clients or to Australian clients with international operations.

If economies do not recognize the same qualifications for skilled services workers in specific fields, it can be challenging for service industries to maintain standards requirements in multiple economies. Implementing mutual recognition of standards or qualifications between different economies is therefore a valuable best practice that can support the development of manufacturing related services.

Good Practices Example: Australia-Indonesia CEPA mutual recognition agreement in engineering

Australia and Indonesia negotiated a Side Letter on Mutual Recognition Agreements (MRA) in Engineering as part of the Australia-Indonesia CEPA.⁶⁴ The MRA in engineering outlines the commitment between both economies to facilitate cooperation between the relevant bodies to assist Indonesia to reach internationally benchmarked standards for engineering education.

Specifically, Australia committed to work with its relevant body to contact the Indonesian relevant body to discuss how Australia can assist Indonesia in reaching the Washington Accordⁱ provisional status within one month from the date of signing the FTA. Within 12 months from the date of Indonesia reaching the Washington Accord provisional status, both economies will encourage their relevant bodies to enter into negotiations on the mutual recognition of professional engineers to establish a framework to enable engineers to engage in independent practice, facilitating mutual beneficial outcomes for both economies. Additionally, both economies stated their desire to pursue an MRA on qualifications of mining engineers in the future.⁶⁵

Engineering services is a sector directly related to manufacturing services, particularly in the pre-manufacturing and manufacturing stages of business operations. Australia and Indonesia’s commitment to facilitating an MRA for engineers’ qualifications will further manufacturing services by increasing clarity in standards requirement and will decrease the cost of duplicative testing and accreditation in different jurisdictions.

ⁱ International agreement between bodies responsible for accrediting engineering degree programs.

Table 12: Improving Standards and Qualifications Conformity

Year Signed	Agreement	Action
2012	Malaysia- Australia FTA	Parties may recognize the education or experiences obtained, certifications, and licensing granted in the other economy. ⁶⁶
2014	Japan- Australia EPA	Each economy shall support mutual recognition initiatives led by professional bodies of the party subject to its available resources. ⁶⁷ In addition, each economy shall encourage the competent authorities and professional bodies to recognize the qualifications of services suppliers obtained in the other economy based on relevant standards or criteria for the authorization, licensing, and certification of service suppliers. ⁶⁸
2014	Korea- Australia FTA	Each party should encourage relevant industries in their economy to work toward the adoption of the mutual recognition of education standards, certification, and licensing of industries. ⁶⁹ The engineering MRA enhances professional recognition of Australian engineers in Korea and vice versa, facilitating closer collaboration by engineers from both economies in international markets. ⁷⁰
2015	China- Australia FTA	Includes a framework to facilitate mutual recognition of services qualifications and to support mutual recognition initiatives by professional bodies in both economies. Both economies have also agreed to a future work program to progressively liberalize measures affecting trade in services. ⁷¹
2017	Peru- Australia FTA	Each economy shall encourage its relevant bodies to establish or maintain dialogues with the relevant bodies of the other party with the aim of facilitating the supply of professional services between the parties through greater recognition of education or experience obtained in the territory of the other party. This includes encouraging relevant professional bodies to engage in cooperation with a view to formalizing recognition of licensing, registration and professional standards. ⁷²
2018	CPTPP	Economies may recognize the education or experience obtained, requirements met, or licenses or certifications granted, in the territory of another party or a non-party. CPTPP economies shall consult with relevant bodies in its territory to seek to identify professional services when two or more parties are mutually interested in establishing dialogue on issues that relate to the recognition of professional qualifications, licensing or registration.
2019	Hong Kong, China - Australia FTA	Relevant bodies in each economy are encouraged to develop mutually acceptable standards for professional services. ⁷³ The economies both committed to exploring possible ways to for the recognition of relevant professional experience to satisfy standards that apply in either economy's market for the registration, authorization, licensing or certification of professional service suppliers. ⁷⁴
2020	Indonesia- Australia CEPA	Both economies agreed to implement an MRA for engineering professionals. ⁷⁵

3.2.1.6 Addressing Intellectual Property Concerns

Intellectual Property (IP) protection is a concern for firms providing manufacturing related services, especially for manufacturing firms that are diversifying into providing ancillary services related to their products. Firms are concerned about meeting the compliance requirements in the host economy, as well as whether intellectual property right enforcement capabilities against counterfeit products and trademark infringement are sufficient.

IP is a significant concern for Australia, which is a net exporter of IP to non-OECD economies, and international studies indicate the significant contributions that IP-related industries make to employment in Australia, including from services industries. For example, the Global Innovation Index,

an annual report by Cornell University, INSEAD and the World Intellectual Property Organization that aims to capture the multi-dimensional facets of innovation, ranked Australia as 22nd globally in 2019.⁷⁶

Australia is also active regionally in promoting cooperation on IP. Under the ASEAN–Australia–New Zealand Free Trade Agreement (AANZFTA), Australia co-chairs the Intellectual Property Committee with Singapore and New Zealand. The committee continues to develop capacity-building programs to support AANZFTA IP protection, capacity building and cooperation in our region.

Good Practices Example: IP Protections in the China-Australia FTA

The China-Australia FTA (ChAFTA) was finalized in 2015 after more than a decade of negotiations, and provided Australian firms with increased access to its largest trade market, amounting to more than a quarter of Australia’s overall trade.

The agreement notably reaffirms both parties’ existing obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement), which means that each government is effectively guaranteeing that citizens of the other economy will receive treatment no less favorable than that afforded to its own citizens, which addresses one of the principal challenges for Australia-China business collaboration.

The agreement also includes commitments for China and Australia to continue working together to enhance their IP examination and registration systems, to provide border measures in relation to counterfeit trademark or pirated copyright goods, and on the protection of undisclosed information. These collaborative activities will be increasingly important as more Chinese firms are exploring export markets in Australia and elsewhere.

Table 13: Addressing Intellectual Property Concerns

Year Signed	Agreement	Action
2012	Malaysia- Australia FTA	Each party shall accord to citizens of the other party treatment the same as its own with regard to the protection of intellectual property.
2014	Japan- Australia EPA	Each party shall accord to citizens of the other party treatment the same as its own with regard to the protection of intellectual property, subject to the exceptions provided in the TRIPS Agreement. ⁷⁷
2014	Korea- Australia FTA	Each party shall ensure that copyright works may be freely or separately transferred by contract. ⁷⁸
2015	China- Australia FTA	The FTA includes a provision granting national treatment; this is substantial in this FTA because intellectual property protection was a challenge associated with Chinese-Australian business. ⁷⁹ The two economies recognized the importance of protecting intellectual property and the transfer of technology. ⁸⁰
2017	Peru- Australia FTA	Economies recognize the importance of protecting intellectual property and the transfer of technology. ⁸¹
2018	CPTPP	General obligations: The CPTPP commits parties to a number of international IP treaties, such as the Patent Cooperation Treaty, and the WIPO “Internet treaties” dealing with copyright and related rights in the digital environment. Trademarks: The CPTPP provides rules on protection against infringing uses of trademarks, such as brand names and symbols, as well as rules in respect of non-traditional marks such as sound marks and scent marks. Geographical indications: The CPTPP includes rules on transparent and fair administrative systems for the protection of geographical indications (GIs), including rules on opposition and cancellation of future GIs. ⁸²
2019	Hong Kong, China - Australia FTA	The purpose of the IP chapter is stated to protect the transfer and dissemination of technology, but the chapter does not outline steps for the transfer of technology. ⁸³
2020	Indonesia- Australia CEPA	N/A: IP not covered in this FTA ⁸⁴

3.3 Canada

Background

APEC FTAs from 2009-present analyzed in research	Year Signed
US-Mexico-Canada Agreement (USMCA)	2018 ⁱ
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	2018
Canada-Korea FTA	2014 ⁱⁱ

Trade Liberalization Activities within APEC

Canada has signed trade agreements with each of the APEC economies in the Americas (the United States, Mexico, Peru, and Chile).⁸⁵ In Asia, Canada is currently negotiating deals with Singapore and Japan and is in exploratory discussions with ASEAN.

Canada is an informative case study because the economy is currently diversifying its trade network throughout the Asia-Pacific through regional trade agreements such as the CPTPP and the USMCA. These agreements are building on the lessons learned from past negotiations in areas such as improving cross-border data flows, reducing localization requirements, and resolving customs issues.⁸⁶

Importance of Services to Canada's Economy

Commercial services are a major contributor to Canada's GDP, accounting for \$50.73 billion USD of Canadian exports and \$50.06 billion USD of Canadian imports in 2017.⁸⁷ Professions in commercial services such as research and development and professional and management consulting are directly related with manufacturing services.⁸⁸

The services sector as a whole account for 70.2% of Canada's GDP. Cross-border exports of services totaled \$62.06 billion USD, representing about 15.3% of Canada's total exports of goods and services in 2017.⁸⁹

Addressing MSAP Challenges through Trade Agreements from 2009-2020

Canada works toward diminishing barriers and promote manufacturing services trade in several of its FTAs through activities such as addressing the cross-border flow of data, customs issues relevant to manufacturing services and employment and business travel restrictions.

ⁱ Entered into force in 2020

ⁱⁱ Entered into force in 2015

3.3.1.1 Updates to GATS Obligations on Manufacturing Related Services

Summary

Canada's GATS obligations included some reservations that have since been liberalized in recent FTAs such as the CPTPP (2018) and USMCA (2018).

The reservations were for manufacturing related services such as engineering advisory services, integrated engineering services, architectural services, and management consulting. The reservations were specific to specific provinces in Canada which placed requirements for citizenship or permanent residency for accreditation for the persons employed in those professions. Most of these reservations are now partially or completely lifted (see Section 2.3 of this report for an overview of GATS obligations and how to read them).

Table 14: Updates to GATS Obligations on Manufacturing Related Services

Prov. CPC	Description	GATS Obligations (Summary)	Policy Areas	FTA Improvements ⁹⁰ USMCA (2018) CPTPP (2018)
8650	Management consulting services	For modes 1 and 2, includes permanent residency or citizen requirements for accreditation or use of titles in various provinces for some professions, such as agrologists, professional administrators, and certified management consultants	Easing Employment and Business Travel Restrictions; Improving Standards and Qualifications Conformity	[All] Removed the citizenship requirements for modes 1 and 2.
8671	Architectural services	For mode 1, None, except Architects must have citizenship requirement for accreditation. Mode 2. None. Mode 3. None, other than Architects must have commercial presence must take form of sole proprietorship or partnership. Mode 4. Unbound except horizontal, and: architects must have citizenship (Quebec).	Easing Employment and Business Travel Restrictions; Improving Standards and Qualifications Conformity	[All] Under Mode 1 remove the Quebec citizenship requirement.
86721	Advisory and consultative engineering services	For modes 1 and 2, provincial requirements for a commercial presence and/or permanent residence for accreditation.	Easing Employment and Business Travel Restrictions; Improving Standards and Qualifications Conformity	[All] The reservations from GATS were removed.
86731	Integrated engineering services for transportation infrastructure turnkey projects	For modes 1 and 2, requirements for either a commercial presence, residency, or citizenship for accreditation in various provinces.	Easing Employment and Business Travel Restrictions; Improving Standards and Qualifications Conformity	[All] The reservations from GATS were removed.

3.3.1.2 Reducing Customs Issues

The 2015 PSU study on manufacturing related services found that customs issues such as the absence of agreed international standards on the definition of goods can also present frustrating barriers for international trade, especially for companies involved in the international sale of remanufactured goods. Clear standards and definitions for re-manufactured goods therefore provide firms with the opportunity to utilize the resource and environmental advantages of re-using materials and machines that still possess a useful life.⁹¹

In addition, complex customs procedures, along with the discretionary aspects of some customs decisions, may make it necessary for manufacturers to hire customs brokers that know how to work the imperfect system.⁹² Expedited customs procedures are of growing importance to manufacturers because expedited shipping services positively impacts manufacturers after-market sales by delivering a high-level customer experience.⁹³

Good Practices Example: Addressing Customs Issues in the CPTPP

Canada has addressed these issues through recent FTAs such as the USMCA and the CPTPP by clarifying the standards for customs duties and fees with its trading partners, and by seeking to digitize more of the customs processes, which will support effective competition and the delivery of necessary services for to manufacturing, sales, and services.⁹⁴

Parties to the CPTPP are committed to “adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties.” These procedures include providing for the release of goods within 48 hours of their arrival; providing for the electronic submission and processing of customs information in advance of the arrival of the goods to expedite the customs process; allowing goods to be released at the point of arrival without temporary transfer to warehouses or other facilities; and allowing an importer to obtain the release of goods prior to the final determination of customs duties, taxes and fees by the importing Party’s customs administration when these are not determined prior to or promptly upon arrival, provided that they meet certain provisions.⁹⁵

Except under certain circumstances, exporters can self-certify that the product they are exporting meets the CPTPP rules of origin, so there is no need for the firm to go through third-party certification of origin, and enterprises can request for advance rulings; which helps to prevent the delay of goods because of complex customs procedures. Additionally, the partnership includes targeted timeframes for customs release including 6-hour windows for express shipments. Notably, the targeted time frames influence manufacturing related services such as back office processing, warehousing and retail, in order to facilitate firms in delivering the skills associated with manufacturing, sales and servicing.⁹⁶

The adoption of simplified customs procedures for CPTPP economies will drive more efficient and predictable customs procedures. Targeted time frames for customs release and 6-hour windows for express shipments will benefit manufacturing related services providers in delivering the necessary items to fulfill their orders.

Table 15: Addressing Customs Issues

Year Signed	Agreement	Action
2018 ⁱ	USMCA	None of the three parties may impose customs duties, fees, or other charges in connection with import or export digital products transmitted electronically between parties. ⁹⁷ In addition, Canada and the two other parties agreed to apply fewer customs formalities to express shipments less than US\$2,500 (CAD\$3,300 for Canada) and under normal circumstances,

ⁱ Entered into force in 2020

		release express shipments immediately after arrival, provided that all required documentation and data are submitted. ⁹⁸
2018	CPTPP	Includes targeted timeframe for customs release including six-hour windows for express shipments. Members will seek to digitize the process; allowing for effective competition and delivery of necessary services attached to manufacturing, sales, and services. ⁹⁹ The CPTPP also prohibits custom duties on electronic transmissions. ¹⁰⁰
2014 ⁱ	Canada-Korea FTA	Includes agreements to eliminate various tariffs and duties, as well as a commitment for mutual cooperation on customs issues, including enforcement; data collection; harmonization of customs laboratories methods and exchange of information and personnel between the customs laboratories; jointly organized training programs on customs-related issues for the officials and users who participate directly in customs procedures; and cooperation through the World Customs Organization and APEC to mutually recognized goals such as those set out in the <i>WCO SAFE Framework of Standards to Secure and Facilitate Global Trade</i> and <i>APEC Model Measures for Trade Facilitation in RTAs/FTAs</i> . ¹⁰¹

3.3.1.3 Promoting Cross-border Data Flows

The ability to transfer data easily across borders is vital because data is driving research and development, supports services trade, and is a foundational element of global value chains.¹⁰² Limitations on cross-border data flows can hamper large manufacturing firms as they become more services-oriented. Recent trade agreements such as the USMCA are now targeting this as a new topic area.

Good Practices Example: Promoting Cross-border Data Flows in the USMCA

Canada, the United States, and Mexico have worked to improve cross-border data flows through three specific commitments in the USMCA:

- Promoting the cross-border flow of information
- Eliminating data localization: the parties are prohibited to require the use or location of computing facilities in that parties' territories as a condition for conducting business in that territory.
- Committing to sharing best practices of digital trade

The USMCA states that no party may prohibit or restrict the cross-border transfer of information including personal information by electronic means for business purposes. In addition, each economy is prohibited from placing data-localization restrictions, including local presence requirements, which may limit cross-border data flow.

Given the global nature of digital trade, the economies have also pledged to facilitate the exchange of information and experiences, policies, enforcement and compliance relating to digital trade, such as cooperating to identify and mitigate cyberattacks.

Lifting data-localization restrictions, promoting cross-border data flow, and sharing best practices all help to reduce burdens for enterprises in services and e-commerce who rely on transferring customers and commercial data across borders in order to effectively conduct business activities.

Table 16: Promoting Cross-border Data Flows

ⁱ Entered into force in 2015

Year Signed	Agreement	Action
2014	Canada-Korea FTA	Contains a chapter on e-commerce but does not describe the actions that economies will take with respect to cross-border data flows. ¹⁰³
2018 ⁱ	USMCA	<p>The USMCA prevents any of the three parties from placing data-localization requirements which can limit cross border data flows from the local data center, easing the ability to do business for e-commerce vendors who must transfer customer and commercial data between economies to keep track of orders and products.¹⁰⁴</p> <p>No Party shall prohibit or restrict the cross-border transfer of information, including personal information, by electronic means if this activity is for the conduct of the business of a covered person</p> <p>No Party shall require a covered person to use or locate computing facilities in that Party's territory as a condition for conducting business in that territory.</p> <p>Recognizing the global nature of digital trade, the Parties shall endeavor to exchange information and share experiences on regulations, policies, enforcement and compliance relating to digital trade. This includes: personal information protection, particularly with a view to strengthening existing international mechanisms for cooperation in enforcing laws protecting privacy, security in electronic communications, authentication, and government use of digital tools and technologies to achieve better government performance.</p>
2018	CPTPP	Includes provisions on cross-border data flows, stating that parties shall allow cross border transfer of information. The agreement prohibits localization requirements for computing facilities. ¹⁰⁵ Each Party shall ensure that an enterprise of any Party may use public telecommunications services for the movement of information in its territory or across its borders, including for intra-corporate communications, and for access to information contained in databases or otherwise stored in machine-readable form in the territory of any party ¹⁰⁶

3.3.1.4 Easing Employment and Business Travel Restrictions

These restrictions can include quotas requiring a certain number of local employees, economic needs tests, such as requirements to prefer domestic citizens or strict language tests, costly visa/permit procedures, or visa limitations that require significant amounts of documentation or have long delays. These requirements can discourage companies from investing in another economy if they believe that the requirements will hinder their ability to hire workers with the necessary skills and experience.

Canada has eased its restrictions in FTAs through general agreements on the entry of business persons, as well as by removing specific reservations from GATS for some manufacturing related services, such as provincial requirements for citizenship or permanent residency for accreditation for the persons employed in those professions in those provinces. The specific actions that Canada has taken for manufacturing related services are described above in section 3.3.1.1.

The example below from the Canada-Korea FTA showcases how Canada and Korea worked together to remove various restrictions and bureaucratic barriers to entry for business persons.

Good Practices Example: Improved Temporary Entry for Business Professionals

The Canada-Korea FTA addresses restrictions for the temporary entry of business professionals. Each party has committed to granting temporary entry to business people seeking to engage in business activities, without requiring them to obtain a work permit or authorization, provided that the individual is in compliance with existing immigration measures and presents the relevant documentation. Business visitors include professionals in several sectors that are key to manufacturing related services,

ⁱ Entered into force in 2020

including research and design, marketing, sales, growth, manufacture, production, sales, distribution, after-sales and general services fields.

Each economy also committed to granting temporary entry and work permits or visas to business persons seeking to engage in a business activity at the professional level with proper documentation, including architects, engineers and management consultants.

Finally, the agreement removes some bureaucratic barriers to entry, such as economic needs tests, and prohibits the implementation of barriers in the future, such as quotas and proportionality tests. These commitments are the most ambitious that Korea that has ever negotiated with a trading partner.¹⁰⁷

Table 17: Easing Employment and Business Travel Restrictions

Year Signed	Agreement	Action
2014	Canada-Korea FTA	Each party can require the need of a visa for a businessperson to enter into the opposite party, but it cannot be unduly impairing or delay trade in goods and services. ¹⁰⁸ The CKFTA also removes barriers to temporary entry to both economies for various professionals related to the consumer products industry, including engineers, market researchers and analysts, and sales representatives. ¹⁰⁹
2018	CPTPP	Visa applications for business persons should be done expeditiously and fees charged must be reasonable and not delay or impair the trade of goods or services. ¹¹⁰ Fees charged for the processing of a visa must be reasonable and should not unnecessarily delay trade in goods and services or conduct of investment activities ¹¹¹
2018 ⁱ	USMCA	Professional Canadians that fit under the allowed occupations have the ability to work in the United States or Canada on a trade visa for three years with no limit on renewal. ¹¹² The list of allowed occupations includes engineers, marketers, maintenance and research and design professionals. ¹¹³

ⁱ Entered into force in 2020

3.4 Peru

Background

APEC FTAs from 2009-present analyzed in research	Year Signed
Peru-Australia FTA	2018
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	2018 (not yet ratified)
Pacific Alliance FTA ⁱ	2014
Peru-Japan FTA	2011
Mexico-Peru FTA	2011
Korea-Peru FTA	2011
China-Peru FTA	2009

Trade Liberalization Activities within APEC

Peru has signed bilateral FTAs with 10 APEC economies, and has signed multilateral FTAs with the Pacific Alliance (Peru, Chile, Colombia, and Mexico) and the 10 member economies of the CPTPP. These agreements include 7 FTA agreements with fellow APEC members since 2009, providing a wide breadth of FTAs to study for lessons learned. Peru's average growth of 5% annually is partly due to its active trade policy, which has focused on incentivizing foreign investments and reducing foreign tariffs.¹¹⁴

Importance of Services to Peru's Economy

Peru's economy is the seventh largest economy in Latin America, and the services sector accounts for almost 60% of its GDP, totaling \$139 billion USD.¹¹⁵ Approximately 57% of the population works in the services sector.¹¹⁶ Major services sectors include telecommunications and financial services, followed by tourism and travel.¹¹⁷ Peru has undergone a transformation since the 1990s to liberalize its economy, and services have played a key role in the economy's GDP growth over the past decade.¹¹⁸

Addressing MSAP Challenges through Trade Agreements from 2009-2020

Peru is addressing MSAP challenges through commitments it has made in FTA negotiations that are decreasing localization and human content restrictions, reducing employment restrictions for foreigners, and increasing the mutual recognition of standards.

3.4.1.1 Updates to GATS Obligations on Manufacturing Related Services

Summary

Peru's participation in GATS included commitments across a wide range of manufacturing related services. However, some manufacturing related services sectors retained some clauses protecting the local services industry, including engineering services, architectural services, and advertising services.

Peru's bilateral and multilateral FTAs with fellow APEC member economies such as Korea, China, and Mexico have reduced the barriers to those industries over time, as shown in the following table (see Section 2.3 of this report for an overview of GATS obligations and how to read them).

Table 18: Updates to GATS Obligations on Manufacturing Related Services

Prov. CPC	Description	GATS Obligations (Summary)	Policy Areas	FTA Improvements ¹¹⁹ China-Peru FTA (2009) Korea-Peru FTA (2010) Mexico-Peru FTA (2011)

ⁱ The Pacific Alliance includes Peru, Chile, Colombia and Mexico

8393	Engineering Services	Engineers must have certified degrees to perform their work.	Easing Employment and Business Travel Restrictions	[All] This requirement is not stated, and there are no additional restrictions.
8393	Architectural Services	People working in architectural services must have degrees.	Easing Employment and Business Travel Restrictions	[All] Foreign architects must have a contract of association with a Peruvian architect. The text does not specify a degree requirement. To practice as an architect in Peru, an individual must join the "Colegio de Arquitectos" (College of Architects), a union group that safeguards the professional practice of architecture.
83912	Advertising Services	All foreign advertisements pay duties when shown in Peru.	Localization and Human Content Restrictions	[All] Foreign advertisers must use 80% Peruvian cast and 60% pay to the Peruvian Cast. There is no mention of duties in the FTAs.
71333	Freight Insurance	Foreign firms can only provide reinsurance. These firms must also prove to be a legitimate institution by showing their legal startup in their home economy as well as meet a standard of liquidity. Firms must respect Peruvian business practices.	FDI investment restrictions	[Peru-China FTA, 2009] Firms are allowed to provide freight insurance with additional requirements. ¹²⁰ The Korea-Peru [2010] and Mexico-Peru [2011] FTAs do not list any restrictions on insurance.
8311	Management Consulting	Reserved the right to add future reservations with respect to cross border supply, consumption abroad, and presence and natural persons.	N-A – no specific reservations	[All] The reservations from GATS were removed.

3.4.1.2 Reducing Localization and Human Capital Restraints

Some economies implement restrictions on foreign FDI such as requirements that enterprises must incorporate domestic companies and workers into their global value chains. These restrictions are put in place to ensure that domestic industries and jobs are not lost to foreign enterprises. However, the pool of qualified local applicants for senior or technical positions in host economies are sometimes limited, and therefore foreign firms are sometimes forced to accept an uncompetitive local suppliers' bid. In these cases, the firms' production costs may increase in the process, and the additional costs will either have to be absorbed through lower profits or passed on to customers.¹²¹

Reducing localization requirements and restrictions facilitates human capital development through the exchange of skills between workers of both economies, and increasing the overall level of skills present in developing economies. In addition, decreasing origin requirements for senior management positions in enterprises can encourage the further development of FDI.

Good Practices Example: Reducing Localization Restraints and Data Localization

The Peru-Australia FTA (PAFTA) prohibits localization through the commitment that neither economy may limit the total number of natural persons that may be employed in a particular service sector. The

FTA also commits to stating neither economy may require investors to appoint individuals to senior management positions based on their economy with some exceptions.

In the related topic of promoting cross-border data flows, PAFTA also states that Australia and Peru cannot force businesses to build data storage centers or use local computing facilities. Australia and Peru have committed not to impose these kinds of localization requirements on computing facilities, providing certainty to businesses as they look to optimize their investment decisions.¹²²

Table 19: Reducing Localization and Human Capital Restraints

Year Signed	Agreement	Action
2009	China-Peru FTA	Neither economy can place limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test. ¹²³
2011	Mexico-Peru FTA	Neither economy can limit the total number of foreign workers that can be employed in a certain service sector or that a service provider can employ and that are necessary for the supply of a specific service and are directly related to it, in the form of numerical contingents or the requirement of an economic needs test. ¹²⁴ Neither economy may mandate an investor to designate individuals of a specific citizenship to occupy senior management positions or that the majority of the board of directors of an enterprise be of a specific citizenship. ¹²⁵
2011	Japan-Peru FTA	Neither economy can place limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test. ¹²⁶
2014	Pacific Alliance	None of the economies can place limitations on the total number of natural persons that can be employed in a certain service sector or that a service provider can employ and that are necessary for the supply of a specific service and are directly related to it, in the form of numerical contingents or by requiring an economic needs test ¹²⁷
2018	Peru-Australia FTA	Neither economy can limit the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test. ¹²⁸ Each economy is also prevented from requiring investors to appoint senior management positions to individuals because of their economy of citizenship. ¹²⁹

3.4.1.3 Easing Employment and Business Travel Restrictions

As described earlier in the Canada case study, these can include personnel quotas, requirements to prefer local workers for employment, or barriers such as strict language tests, costly visa/permit procedures, and visa limitations.

Peru has eased its restrictions by removing specific reservations from GATS on certifications for some manufacturing related services such as engineering services and architectural services. Peru has also put in place mutual agreements between economies that neither economy shall place undue burdens on requests for temporary entry of businesspeople in such a way they delay trade in goods or services.

Several agreements, such as the Japan-Peru EPA, specify that neither economy will place numerical quotas or the requirement of an economic needs test, or place a deadline of up to 20 days for issuance

of a visa once an application requesting entry visa is considered complete under domestic laws and regulations.¹³⁰

Good Practices Example: Mexico-Peru FTA Commitment to Supporting Business Travel

The Mexico-Peru FTA grants temporary entry for any business visitor carrying out business activities without requiring employment authorization, provided that they comply with existing immigration measures, including documentation proving the individual will undertake business activities indicated for the purpose of their entry, and prove the international nature of the business activity to be carried out.¹³¹

The applicable fields for the agreement include several manufacturing related services, such as professionals involved in research and design, manufacturing and production, post sales, sales, and technical services. Business visitors are permitted to stay in either economy for 183 days.

Removing the employment authorization for natural persons between economies helps to reduce the paperwork requirements and potential for delays in approval as part of the visa application process.

Table 20: Easing Employment and Business Travel Restrictions

Year Signed	Agreement	Action
2009	Peru-China FTA	Neither economy shall place undue burdens on requests for temporary entry of businesspeople in such a way they delay trade in goods or services. ¹³²
2010	Peru-Korea FTA	Each economy will grant temporary entry and the necessary documentation to a businessperson seeking to carry on substantial trade in goods and services. ¹³³ Independent professionals or contractors are also granted temporary entry eligibility. ¹³⁴
2011	Japan-Peru EPA	The Japan-Peru EPA includes an agreement that neither economy can place limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test. ¹³⁵ Each Party shall, within a reasonable period of time that should not exceed 20 working days after an application requesting entry visa is considered complete under its domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the Party shall endeavor to provide, without undue delay, information concerning the status of the application. ¹³⁶ In addition, the EPA simplifies the conditions and procedures for the temporary entry of professionals for business purposes. ¹³⁷
2011	Mexico-Peru FTA	Grants the temporary entry of any businessperson carrying out business activities without requiring employment authorization ¹³⁸ in the following fields: <ul style="list-style-type: none"> ○ Research and design ○ Manufacturing and production ○ Post sales services ○ Sales ○ General services ○ Distribution¹³⁹ ○ Technical professionals¹⁴⁰
2014	Pacific Alliance FTA	Removes inter-alliance visa restrictions, encouraging a freer flow of persons. ¹⁴¹ The Alliance also facilitates temporary permits for specific categories of workers, including engineers. ¹⁴²
2018	Peru-Australia FTA	Guarantees access to specific professionals, including engineering services, to enter or temporarily stay in an economy, provided they fulfill visa requirements. ¹⁴³

3.4.1.4 Improving Standards and Qualifications Conformity

Many of the services industries that support the manufacturing industry involve trained professionals practicing overseas who may need to meet domestic licensing, registration or other requirements that are designed to protect consumers and the public. This includes Peruvian professionals providing services to international manufacturing clients or to clients with international operations.

Mutual recognition of standards or qualifications between different economies (called mutual recognition agreements, or MRAs) can therefore serve to reduce barriers for professionals working overseas and promote international trade and FDI.

FTAs provide a valuable forum for economies to collaborate on MRAs. Each Peruvian FTA with APEC partners since 2009 has included language stating that professional bodies will explore opportunities for mutual recognition.

In some cases, such as the Mexico-Peru FTA, the FTA has also served as a forum for further commitments, such as agreeing on the international best practices to guide future actions, and the creation of a committee to further explore the topic.

Good Practices Example: Mexico-Peru FTA Mutual Recognition Committee

Mexico and Peru each pledged to recognize the Regional Agreement of Validation of Studies and the Andres Bello Agreement, which are agreements that provide a framework for the mutual recognition of certificates, degrees, and licenses of institutions of higher learning in Latin America. Since Mexico was not a signatory to either of the agreements, each economy committed to mutually recognizing the others' certificates, titles and academic degrees, based on the commitments made in the Andres Bello and Regional Agreements.

In order to fulfill their goals for the mutual compliance of standards, Mexico and Peru agreed on the creation of a Mutual Recognition Committee within 6 months after the agreement entered into force. The goal of the committee was to facilitate the commitments made in the chapter of mutual recognition of qualifications, to design frameworks to promote the exchange of curriculum between institutes of higher learning, and to promote the exchange of best practices in the development of education systems in both economies. At least once per year, the Committee will review the procedures to validate the qualifications in each party.¹⁴⁴

Mexico and Peru's commitment to recognizing the qualifications of natural persons from either economy will improve the ability of skilled natural persons to work internationally between the two economies. This is an important commitment for services supporting manufacturing trade, since many of the degrees of professionals related to manufacturing services such as engineers, management consultants, research and development professionals can benefit from mutual recognition.

Table 21: Improving Standards and Qualifications Conformity

Year Signed	Agreement	Action
2009	China-Peru FTA	Each party should encourage the relevant parties to develop mutually acceptable criteria for mutually acceptable standards, temporary licensing, and the certification of professional service providers ¹⁴⁵
2010	Korea-Peru FTA	Either economy may choose to recognize the qualifications, licensing, or certification of professionals from the other party autonomously or by arrangement. ¹⁴⁶
2011	Japan-Peru EPA	Either economy may choose to recognize the qualifications, education, or certification of professionals from the other economy. This may be done autonomously or by an arrangement or agreement by parties. ¹⁴⁷

Year Signed	Agreement	Action
2011	Peru-Mexico FTA	The economies will create a Mutual Recognition Committee that will adopt the necessary actions to facilitate the information related to the recognition of certificates, titles and/or academic degrees, and those related to the conditions and requirements necessary for professional practice. ¹⁴⁸
2014	Pacific Alliance FTA	The qualifications of service suppliers should not be overly burdensome, including criteria stating any fees should be reasonable and evaluation of qualifications are based on objective criteria. ¹⁴⁹ Economies also have the ability to recognize the qualifications of services providers through an arrangement, agreement or autonomously. ¹⁵⁰
2018	CPTPP	Each economy can recognize the licenses, certificates, or qualifications of a service supplier for the purpose of fulfillment through an agreement. Economies shall work toward facilitating trade in professional services through the creation of the Professional Services Working Group. ¹⁵¹
2018	Peru-Australia FTA	Each Party shall encourage its relevant bodies to establish or maintain dialogues with the relevant bodies of the other Party with the aim of facilitating the supply of professional services between the Parties through greater recognition of education or experience obtained in the territory of the other Party. This includes encouraging relevant professional bodies to engage in cooperation with a view to formalizing recognition of licensing, registration and professional standards. Each Party shall encourage its relevant bodies to take into account agreements that relate to professional services in the development of agreements on the recognition of professional qualifications, licensing and registration. ¹⁵²

4 Policy Implications

4.1 Summary

Given the rapid development of manufacturing related services, it is important to recognize the current regulatory situation for these services, both in terms of how new services are categorized in the CPC, as well as how each economy stipulates new services in treaties and approaches the liberalization of those services.

This project has sought to build up the body of knowledge about the integration of services in manufacturing, to build the capacity to analyze the current status of manufacturing related services, and to provide insights on the trends in liberalization commitments for those services in recent FTAs.

The findings from this project will contribute to the implementation of the MSAP, which will contribute to the implementation of the APEC Services Competitiveness Roadmap (ASCR) and to the eventual realization of the FTAAP. The findings from this research may provide sustained benefits for all APEC economies by building on the understanding of manufacturing related services as important elements of GVCs across economies in the Asia and Pacific region.

4.2 MSAP Workshop Policy Insights

Overview

The “Workshop on Manufacturing-related Services and Environmental Services” was held on Wednesday, 19 August, 2020, Singapore Time. The intention of this workshop was to convene a diverse group of stakeholders to discuss APEC efforts to liberalize trade in manufacturing related services and environmental services. These efforts have been realized through the MSAP and the Environmental Services Action Plan (ESAP), respectively. The workshop had originally been scheduled to take place in Malaysia but, due to the Coronavirus Disease 2019 (COVID-19) pandemic, the event was held online, with participants and attendees logging in from around the globe. Audience members were invited to ask questions either by sending a message to the organizers or by virtually raising their hands.

The workshop was designed to complement this study. Researchers joined representatives from government agencies, private firms, professional groups, and academia, all of whom provided critical insights into how APEC could support more seamless trade in services vital to economic recovery and prosperity.

In their presentations, the researchers described the progress achieved under the respective action plan, and shared results of the studies relating to trade negotiations, service categorizations, domestic regulations, and capacity building measures. Distinguished expert speakers then provided the audience with insights into ongoing initiatives within international organizations, existing cooperation between APEC economies, experiences of firms delivering relevant services, and trends regarding the scale and form of trade in these services. The MSAP panel discussion was centered around efforts within APEC to foster collaboration on the delivery of manufacturing related services.

The final report of the workshop is included as an annex to this report. All presentation slides from the workshop are available through the APEC website provided in the report annex.

Outcomes

(Note: This section is based on the text in the full Workshop Final Report and is provided for readers that wish to understand the outcomes of the report without reviewing a separate document)

The workshop provided a valuable forum for stakeholders from industry, government, and academia to discuss issues concerning manufacturing related services and to consider new opportunities for collaborative activities for APEC member economies to consider to support the future liberalization of services trade across the Asia-Pacific region.

While the current global pandemic has had a devastating economic impact and has created high levels of uncertainty in trade, it has also carried with it an opportunity for APEC economies to lead and come together to make use of their vast experience and resilience in order to overcome this emergency.

During the presentation and Q&A for the Study for Final Review of MSAP, the research contractor noted that a further review of existing laws and regulations on manufacturing related services in APEC economies could serve as a useful complement to the contractors' research on FTAs.

Once the 2020 MSAP implementation survey is completed, then it would be good to act on the capacity building needs that have been reported by APEC economies in the survey. The 2020 workshop hosted by Malaysia will include a discussion on capacity-building activities, so that may lead to additional action items that will be beneficial for pursuing the MSAP agenda.

The expert speaker sessions covered a wide range of policy challenges for manufacturing related services. Overcoming some of the policies that have hindered manufacturing related services will require economies to undertake a multi-pronged approach, including unilateral actions as well as actions carried out in a spirit of cooperation, such as trade agreements and mutual recognition arrangements. Efforts will also require better coordination among domestic agencies, including those with broader mandates, considering that policies affecting services tend to be cross-sectoral in nature and usually span multiple agencies.

In light of the COVID-19 pandemic, it is important to look at the pandemic's implications for services access and provision by firms. It is critical to understand the impact of government containment measures, such as movement control orders and social distancing guidelines, on services access and provision. As governments move towards supporting the recovery of the services sector, it will be imperative to explore and learn from one another how the recovery can be facilitated, including possibly by relaxing regulations that typically apply to some services sectors in normal time, or facilitating the transition by providers to provide services in other modes of supply for certain services (e.g. remote monitoring and repair services, as opposed to onsite services).

Several speakers noted that the rapid development of technology, especially online/remote technologies that have become critical for many firms during the COVID-19 pandemic, may have a significant effect on manufacturing and services trade. Services are evolving as the digital economy does, and APEC economies should be sensitive to this digital transition in some services and anticipate potential obstacles and solutions. Future work on MSAP should therefore be flexible in creating any definitions for services, so that the rapid development of technology does not make the definitions obsolete in a short time. In addition, it may be valuable to conduct research to explore the rapid development in technology and its implications on liberalizing and facilitating trade in manufacturing related services.

Finally, multiple expert presentations explored the economic implications of liberalizing services trade through trade negotiations. Their research findings suggest that services trade should be continuously discussed beyond 2020. The discussion should incorporate strong elements to promote a free, open, fair, nondiscriminatory, transparent, and predictable trade and investment environment by leveraging on digital connectivity, refraining from imposing new obstacles to trade and investments, facilitating even more cross-border trading services, and supporting collective efforts to engineer a more resilient and

inclusive multilateral trading system. These efforts must be done in a way that is fair to all and equitable. The harmonization of the policy regimes for existing bilateral or plurilateral FTAs, such as ASEAN+X FTAs and CPTPP, is very important for supporting services trade.

4.3 Case Study Policy Insights

The following findings are derived from the case studies, and are intended to build on the findings from APEC's Policy Support Unit 2015 publication, *Services in Global Value Chains: Manufacturing Related Services*.¹⁵³

Investment Policy (FDI Investment Restrictions)

Equity restrictions in services are common FDI barriers in both developed and developing economies due to concerns that services FDI have the potential to eliminate jobs and increase competition for domestic service providers. Equity restrictions in services are sometimes more prevalent or stringent than restrictions in manufacturing because many economies have preferential investment policies towards manufacturing investments.

One common method to restrict FDI is to implement investment screening levels that trigger a review of the investment once it exceeds a certain amount, in order to ensure that the investment does not run contrary to the economy's interests. While screening levels are typically set at a certain amount, FTAs offer an opportunity to increase those levels. Raising FDI screening levels liberalizes the regime and makes investing in the economy more attractive because at a higher screening level, investors are able to invest more money and avoid the negotiating the bureaucracy of the review process, reducing costs and time.

Setting up an investor-state dispute settlement (ISDS) is another common mechanism implemented through trade agreements to resolve FDI disputes. If both the investors' home economy and the host economy have agreed to an ISDS, then a foreign investor that believes that their rights have been violated by the host economy may bring the matter before an independent tribunal, usually comprising three arbitrators.

Economies can also address their FDI restrictions through updating their obligations for specific manufacturing related services. For example, Peru's original GATS obligations had more requirements for foreign firms that provided freight insurance services except for reinsurance. However, the Peru-China FTA (2009) liberalized the economy's restrictions by permitting foreign firms to provide freight insurance services provided that they follow some additional requirements, while the Korea-Peru FTA (2010) and Mexico-Peru FTA (2011) further reduced the restrictions on insurance provided by foreign firms.

Employment and Business Travel Restrictions

Economies may place restrictions on the hiring of workers, or restrict foreign workers from entering their economies, such as quotas, economic needs tests (such as requirements to prefer domestic workers or strict language tests), or costly visa/permit procedures or limitations, which require significant documentation or cause long delays. These requirements can discourage companies from investing in another economy if they believe that the requirements will hinder their ability to hire workers with the necessary skills and experience.

Case study economies often eased their restrictions through FTAs by removing specific reservations from their original GATS commitments for some manufacturing related services. For example, Canada's

modern FTAs such as the CPTPP and USMCA include updates to management consulting, architectural consulting, or advisory and consultative engineering services, which removed or reduced several provincial requirements for citizenship or permanent residency for accreditation for the persons employed in those professions in those provinces. Similarly, Peru has reduced its certification requirements for foreign architects and engineers in its recent trade agreements.

In other cases, FTAs provide opportunities for economies to remove various restrictions and bureaucratic barriers to entry for business persons. For example, the Canada-Korea FTA addressed restrictions for the temporary entry of business professionals through reducing the documentation requirements for the temporary entry of business persons, and removed some bureaucratic barriers to entry, such as economic needs tests, as well as prohibiting the implementation of barriers in the future, such as quotas and proportionality tests.

Localization and Human Content Restrictions

Some economies implement requirements that foreign enterprises must incorporate domestic companies and domestic workers into their global value chains. These restrictions are put in place to ensure that domestic industries and jobs are not lost to foreign enterprises. However, these restrictions may limit the pool of qualified local applicants for senior or technical positions, impacting firms' productivity.

FTAs provide an opportunity to address these restrictions. In some cases, economies may also have localization requirements for individual manufacturing related services, which can be liberalized through trade agreements that either reduce or eliminate the restrictions.

FTAs may also include broad agreements between economies to prohibit localization across all sectors. For example, the Peru-Australia FTA prohibits localization through the commitment that neither economy may limit the total number of natural persons that may be employed in a particular service sector. The FTA also commits to stating neither economy may require investors to appoint individuals to senior management positions based on their citizenship.

Intellectual Property Protections

IP protection is a concern for firms providing manufacturing related services, especially for manufacturing firms that are diversifying into providing ancillary services related to their products. Firms are concerned about meeting the compliance requirements in the host economy, as well as whether IPR enforcement capabilities against counterfeit products and trademark infringement are sufficient.

Trade agreements offer an opportunity to strengthen IP protections between economies. For example, the China-Australia FTA (ChAFTA) in 2015 reaffirmed both parties' existing obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement), including a national treatment provision for both economies, which means that each government is effectively guaranteeing that citizens of the other economy will receive treatment no less favorable than that afforded to its own citizens.

In addition, trade agreements may include commitments to mutually enhance their IP examination and registration systems, to provide border measures in relation to counterfeit trademark or pirated copyright goods, or on the protection of undisclosed information.

Standards Conformity (Difficulty Complying with Standards or Qualifications)

If an economy does not recognize the qualifications for foreign skilled services workers in specific fields, then it can be challenging for professionals practicing overseas to meet domestic licensing, registration or other requirements that are designed to protect consumers and the public.

Several manufacturing related services industries, such as engineering services, architectural services, and management consulting services, require professional licensing. Some economies have placed reservations on those service industries through GATS to require all workers to possess either economy-level or regional certifications, sometimes also including a domestic commercial presence or a requirement for citizenship and/or permanent residency. However, those requirements may be updated in trade agreements to eliminate some or all of those requirements. Among the case study economies, Peru and Canada both updated their GATS obligations to reduce the requirements placed on various types of professional services.

In addition, mutual recognition agreements (MRAs) can help to encourage bilateral services trade by allowing foreign services professionals to qualify for work in other economies through their home economy's certification.

Several trade agreements studied in the case study economies included commitments to set up MRAs on manufacturing related services industries. For example, Australia and Indonesia negotiated a Side Letter on an Engineering MRA as part of the Australia-Indonesia CEPA, which outlined commitment between both economies to facilitate cooperation between the relevant bodies to assist Indonesia to reach internationally benchmarked standards for engineering education.

Limitations on Cross-border Data Flows

The ability to transfer data easily across borders is vital because data is driving research and development, supports services trade, and is a foundational element of global value chains.¹⁵⁴ Many large manufacturing firms create and transfer large amounts of data, and may be hampered by restrictions on cross-border data flows, especially as many manufacturing firms are becoming more services-oriented. As a result, recent trade agreements such as the USMCA are now targeting this as a new topic area to address.

Canada, the United States, and Mexico have worked to improve cross-border data flows through three specific commitments in the USMCA. The three economies agreed not to prohibit or restrict the electronic cross-border transfer of information, including personal information, if this activity is for business purposes. In addition, the agreement prohibits parties from requiring the use or location of computing facilities in that parties' territories as a condition for conducting business in that territory, and includes a commitment to sharing best practices of digital trade, such as cooperating to identify and mitigate cyberattacks.

Similarly, the Peru-Australia FTA (PAFTA) states that Australia and Peru cannot force businesses to build data storage centers or use local computing facilities. Australia and Peru have committed not to impose these kinds of localization requirements on computing facilities, which provides more certainty to businesses as they look to optimize their investment decisions.¹⁵⁵

Customs Issues

Customs issues such as the absence of agreed international standards on the definition of goods can present frustrating barriers for international trade, especially for companies involved in the international sale of remanufactured goods. The complexity of customs procedures may make it

necessary for manufacturers to hire customs brokers to navigate unclear standards and regulations. Expedited customs procedures are of growing importance to manufacturers because expedited shipping services positively impacts manufacturers after-market sales by delivering a high-level customer experience.¹⁵⁶

Trade agreements are an avenue towards bilateral or multilateral agreements on clear standards and definitions for manufactured and re-manufactured goods.

For example, the Australia-US FTA has specific guidance for remanufacturing, which is an important sector for both economies, as the US is the largest remanufacturer in the world, and Australia represents the 3rd biggest market for remanufactured goods.¹⁵⁷ Reviews have shown that remanufacturing is an environmentally friendly process, both by having a smaller impact on natural resources and reduced energy consumption, and provisions in the FTA promote the production and use of these products.¹⁵⁸ The FTA sets the rules for remanufactured goods as an originating good, which facilitates their trade and production, essentially providing them with preferential treatment.¹⁵⁹

Another example is the CPTPP, whose parties are committed to “adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties.” Except under certain circumstances, exporters can self-certify that the product they are exporting meets the CPTPP rules of origin, so there is no need for the firm to go through third-party certification of origin, and enterprises can request for advance rulings; which helps to prevent the delay of goods because of complex customs procedures. Additionally, the partnership includes targeted timeframes for customs release including 6-hour windows for express shipments. Notably, the targeted time frames influence manufacturing related services such as back office processing, warehousing and retail, in order to facilitate firms in delivering the skills associated with manufacturing, sales and servicing.¹⁶⁰

4.4 Concluding Thoughts

Considering the unprecedented economic impact that the Covid-19 pandemic has had on global supply chains for goods and services, APEC ministers have called for APEC economies to work together to strengthen regional connectivity by intensifying efforts to make global supply chains more resilient and less vulnerable to shocks, in order to advance sustainable economic growth.¹⁶¹

Manufacturing related services are core to enabling a long-term economic recovery, as they are a key component of many multi-economy supply chains. Supporting the free and open trade in manufacturing related services will also support a significant proportion of small and medium-sized businesses and women-owned businesses in the APEC region.

These services are also significant for manufacturing industries that are crucial to the global healthcare supply chain, such as the manufacturing of personal protective equipment (PPE), hospital equipment for patients in hospitals’ intensive care units, and the future manufacture and distribution of a vaccine for the virus. Coordinating agreement within APEC on how to improve support for businesses engaged in the international trade of manufacturing related services has therefore never been more critical.

Overcoming the barriers that are hindering manufacturing related services will require both unilateral actions by economies as well as cooperative actions such as trade agreements and mutual recognition arrangements. Recent research, such as surveys¹⁶² of APEC economies conducted in 2018 and 2020, have revealed that many economies have taken a number of significant steps in recent years to promote trade liberalization and economic cooperation in this area, such as negotiating innovative trade agreements, modernizing their domestic regulations to encourage FDI, streamlining required business procedures, and engaged in a variety of domestic initiatives.

The rapid development of technology, especially online/remote technologies that have become critical for many firms during the Covid-19 pandemic, will have a significant effect on manufacturing and services trade. Future work on MSAP should take into account how the digital transition in services is evolving, and should be flexible in creating any definitions for services, so that the definitions do not become obsolete in a short time. In addition, it may be valuable to conduct research to explore the implications of these new technologies for liberalizing and facilitating trade in manufacturing related services, and whether it is feasible for APEC economies to collaborate on setting standards for sectors or modes of trade that might help to further liberalize the services impacted by those technologies.

The case studies in this research have demonstrated that there are a wide range of policies that APEC economies have undertaken through modern RTAs/FTAs to liberalize their trade in manufacturing related services since the original GATS negotiations in the mid-nineties. It is hoped that the publication of this study will provide stakeholders with a repository of good practices that can be used as a reference for future discussions and capacity building work to move forward on the liberalization of services throughout the APEC region, supporting APEC's shared commitment to achieve free and open trade and investment in the Asia-Pacific.

5 Annex A: Abbreviations

Abb.	Name
APEC	Asia-Pacific Economic Cooperation
AELM	APEC Economic Leaders' Meeting
ASCF	APEC Services Cooperation Framework
ASEAN	Association of Southeast Asian Nations
CPC	Central Product Classification
CTI	Committee on Trade and Investment (APEC)
EC	European Commission
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
FTAAP	Free Trade Area of Asia Pacific
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GOS	Group on Services
GVC	Global Value Chains
ILO	International Labour Organization
ISDS	Investor-State Dispute Settlement
MRA	Mutual Recognition Agreement
MSAP	Manufacturing Related Services Action Plan
MSME	Micro, Small and Medium Enterprises
METI	Ministry of Economy, Trade and Industry (Japan)
OECD	Organisation for Economic Co-operation and Development
PSU	Policy Support Unit (APEC)
R&D	Research and Development
RTA	Regional Trade Agreement
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
US	United States
WTO	World Trade Organization

6 Annex B: Relevant APEC Studies

Name	Description
Workshop for Sharing Best Practices of Applying the APEC Non-Binding Principles for Domestic Regulation of the Services Sector (2019)	This report provides policy recommendations based on a one-day workshop held on 19 August 2019, in Puerto Vajras, Chile to collect various views from relevant international organizations and share best practices in applying the APEC principles to not only sector-specific but also cross-cutting issues. The workshop aimed at promoting awareness on the APEC principles as a guideline for implementing effective regulatory reform; share member economies' best practices in applying the APEC principles on sector-specific and cross-cutting issues; identify possible challenges and opportunities in implementing the APEC principles; and discuss ways to harmonize the APEC principles with economies' right to regulate, and to improve the principles for better regulation.
Study on Translating APEC's Non-Binding Principles for Domestic Regulation for the Services Sector into Practice: A Focus on Transparency and Predictability in Rule Making (2019)	The study on APEC's Non-Binding Principles for Domestic Regulation of the Services Sector examines the process of developing domestic regulations, focusing on the transparency provisions of APEC's Non-Binding Domestic Regulation Principles: publishing and making information available, advanced notice and opportunity to comment, and establishment of enquiry points. It is complemented by inputs from an APEC workshop held in Chile in August 2019 and provides an analysis of transparency and predictability principles in select recent trade agreements and initiatives. Preliminary findings present a general outlook of APEC member commitments to transparency principles and challenges and gaps in upholding them.
Structural Reform and Services (2017) <ul style="list-style-type: none"> • New Zealand: Electricity Retail Services Market Reform • Chinese Taipei: Telecommunications Testing and Certification Services Reform 	This paper first appears in the 2016 APEC Economic Policy Report. It aims to contribute to greater understanding of service sector reforms, the benefits they bring and the implementation and execution challenges they give rise to. It does so by drawing on the extant research literature and on five studies on services reforms experiences prepared for the APEC Economic Committee (in response to instructions from Ministers to continue the agenda on structural reform and services, particularly its link to inclusive growth), as well as four studies prepared for the Market Access Group and the Group on Services. The case studies provide in-depth analysis of the economic impact of specific services reforms in APEC economies. They illustrate the importance of a focus on services to enhance inclusion while at the same time generating growth in real incomes and improving welfare of citizens. Most of the studies cite positive impacts, but more importantly, provide useful lessons from the various reform experiences. Not the least of these lessons is that structural reforms are a 'continuous process' that require regular adjustment of efforts to meet policy goals. Structural reform is not a once-and-for-all process but rather continued learning-by-doing.
Services in Global Value Chains: Manufacturing-Related Services (2015)	The objective of the study is to collect firm-specific insights on the contribution of manufacturing related services in their supply/value chain operations using a case-study approach. It also analyses how government policies affecting the production and trade of services – such as investment and investment-related policies, taxes and regulations – can have significant implications on firm's configuration, operation and location of value chains. During the study, case studies

Name	Description
	involving 22 firms based in 12 APEC economies were compiled. They cover different sectors ranging from automotive components and mining equipment to electrical appliances and watch. The summary report can be found in Chapter 1 while the individual case studies can be found in Chapter 2 to 21.
Services, Manufacturing and Productivity (2015)	This issues paper tries to tease out more detailed information from the WTO-OECD Trade in Value Added (TiVA) database to understand how important services is in APEC economies by analyzing quantitatively the various aspects through which services could contribute to their economies' exports such as via direct exports as well as indirectly via manufacturing or other services sectors' exports. Specifically on services' role in manufacturing, the paper attempts to explore the link between services and manufacturing productivity. Business services, it appears, is a dominant services input in manufacturing and is discussed in the paper in greater length, where regulations that are likely to affect the provision of these services negatively are identified. The paper concludes with implications for trade policy.

7 Annex C: MSAP Workshop Presentation

Please see separate document.ⁱ

ⁱ A presentation summarizing the findings from this study was delivered August 19th, 2020, during the Workshop on MSAP. The full name of the event was: Workshop on Manufacturing-Related Services and Environmental Services - Contribution to the Final Review of Manufacturing Related Services Action Plan and Environmental Services Action Plan 2020.

The meeting documents, including the presentation slide on the current study, can be downloaded from the APEC Meeting Document Database (MDDDB):

<http://mddb.apec.org/Pages/search.aspx?setting=ListMeetingGroup&DateRange=2020/08/01%2C2020/08/19&Name=Workshop%20on%20Manufacturing-Related%20Services%20and%20Environmental%20Services%20-%20Contribution%20to%20the%20Final%20Review%20of%20Manufacturing%20Related%20Services%20Action%20Plan%20and%20Environmental%20Services%20Action%20Plan%202020&APECGroup=%22Group%20on%20Services%20%28GOS%29%22>

8 Annex D: Examples of Improvements to GATS Obligations for Manufacturing Related Services in FTAs

The following are excerpts from FTAs signed in 2009-2020 which include explicit improvements to those economies' GATS obligations for services sectors. The excerpts are copied directly from the FTAs and include non-manufacturing related services along with manufacturing related services.

Most FTAs which did not include a list that specifically noted improvements to GATS obligations for services sectors were excluded from the list below. However, some Peruvian FTAs which did not explicitly state that they were improvements upon GATS were included after an analysis of their contents was conducted to confirm that their commitments liberalized some manufacturing related services such as engineering and architectural services.

The findings from the analysis of the FTAs below can be found in the individual economy case profiles.

Note: The text in the annex below is directly copied from each trade agreement. Some text contents may therefore not follow standard APEC publication guidelines.

8.1 Australia

Australia-Peru FTA

For the following sectors, Australia's commitments under Article XVI of GATS as set out in Australia's Schedule of Specific Commitments under the GATS (GATS/SC/6, GATS/SC/6/Suppl.1, GATS/SC/6/Suppl.1/Rev.1, GATS/SC/6/Suppl.2, GATS/SC/6/Suppl.3 and GATS/SC/6/Suppl.4) are improved as described below.

Sector/subsector	Market Access Improvement
BUSINESS SERVICES	
Professional Services	

Sector/subsector	Market Access Improvement
Legal services²²	

For the purposes of this entry:

“legal advisory services” – includes provision of advice to and consultation with clients in matters, including transactions, relationships and disputes, involving the application or interpretation of law; participation with or on behalf of clients in negotiations and other dealings with third parties in such matters; and preparation of documents governed in whole or in part by law, and the verification of documents of any kind for purposes of and in accordance with the requirements of law. Does not include advice, consultation and documentation services performed by service suppliers entrusted with public functions, such as notary services, or services provided by patent or trade mark attorneys.

“legal representational services” – includes preparation of documents intended to be submitted to courts, administrative agencies, and other duly constituted official tribunals in matters involving the application and interpretation of law; and appearance before courts, administrative agencies, and other duly constituted official tribunals in matters involving the application and interpretation of the specified body of law. (Note: The inclusion of representational services before administrative agencies and other duly constituted official tribunals within the context of legal services does not necessarily mean that a licensed lawyer must supply such services in all cases. The precise scope of services subject to licensing requirements is subject to the discretion of the relevant regulatory authority.) Does not include documentation services performed by service suppliers entrusted with public functions, such as notary services, or services provided by patent or trade mark attorneys.

“legal arbitration, conciliation and mediation services” – preparation of documents to be submitted to, preparation for and appearance before, an arbitrator, conciliator or mediator in any dispute involving the application and interpretation of law. Does not include arbitration, conciliation and mediation services in disputes for which the law has no bearing which fall under services incidental to management consulting. As a sub-category, international legal arbitration, conciliation and mediation services refer to the same services when the dispute involves parties from two or more countries.

“domestic law (host country law)” – the law of Australia.

“foreign law” – the law of the territories of WTO Members and other countries other than the law of Australia.

“international law” – includes law established by international treaties and conventions, as well as customary law.

For the purposes of these definitions:

“arbitration” is taken to mean a process in which the parties to a dispute present arguments and evidence to a dispute resolution practitioner (the arbitrator) who makes a determination.

“mediation” is taken to mean a process in which the parties to a dispute, with the assistance of a dispute resolution practitioner (the mediator), identify the disputed issues, develop options, consider alternatives and endeavour to reach an agreement. The mediator has no advisory or determinative role in regard to the content of the dispute or the outcome of its resolution, but may advise on or determine the process of mediation whereby resolution is attempted.

“Conciliation” is taken to mean a process in which the parties to a dispute, with the assistance of a dispute resolution practitioner (the conciliator), identify the issues in dispute, develop options, consider alternatives and endeavour to reach an agreement. The conciliator may have an advisory role on the content of the dispute or the outcome of its resolution, but not a determinative role. The conciliator may advise on or determine the process of conciliation whereby resolution is attempted, and may make suggestions for terms of settlement, give expert advice on likely settlement terms, and may actively encourage the participants to reach an agreement.

Sector/subsector	Market Access Improvement
Legal advisory and representational services in domestic law (host-country law)	Replace existing commitments with no limitations for modes 1-3. Mode 4 is unbound except as indicated in the horizontal section.
Legal advisory services in foreign law and international law and (in relation to foreign and international law only) legal arbitration and conciliation/mediation services.	<p>Replace existing commitments with no limitations for modes 1 and 2, mode 3 is limited as follows:</p> <p style="padding-left: 40px;">In South Australia, natural persons practising foreign law may only join a local law firm as a consultant and may not enter into partnership with or employ local lawyers.</p> <p>Mode 4 is unbound except as indicated in the horizontal section.</p>
Research and development services	
Research and Development (R&D) services on natural sciences and engineering (CPC 851)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Interdisciplinary research and development (R&D) services (CPC 853)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Other business services	
Landscape architectural services (CPC 86742)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Technical testing and analysis services (CPC 8676)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Site preparation work for mining (CPC 5115)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.

Services incidental to manufacturing (CPC 884 and 885, except for 88442).	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Related scientific and technical consulting services (CPC 8675)	
- Geological, geophysical and other scientific prospecting services (CPC 86751)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
- Subsurface surveying services (CPC	Replace existing commitments with no

Sector/subsector	Market Access Improvement
86752)	limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section, for the whole sector.
- Map-making services (CPC 86754)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633 and 8861-8866).	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Packaging services (CPC 8760)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Specialty design services (CPC 87907)	Replace existing commitments on Interior Design with no limitations for modes 1-3, mode 4 is unbound as indicated in the horizontal section.

Sector/subsector	Market Access Improvement
COMMUNICATION SERVICES	
<p>This covers the following sub-sectors from the Services Sectoral Classification List (W/120) and related CPC numbers 7521,7522,7523, 7529**:</p> <ul style="list-style-type: none"> (a) voice telephone services; (b) packet-switched data transmission services; (c) circuit-switched data transmission services; (d) telex services; (e) telegraph services; (f) facsimile services; (g) private leased circuit services; and (h) other: <ul style="list-style-type: none"> digital cellular services services paging services personal communications services trunked radio system services mobile data services services services covered by the <i>Broadcasting Services Act 1992</i> (Cth) are excluded from the basic telecommunications sector. 	<p>Replace existing class 3 services in the limitations for mode indicated as horizontal section</p>
CONSTRUCTION AND RELATED ENGINEERING SERVICES	
Other	
<p>Other general construction work for civil engineering (CPC 511, 515 and 518)</p>	<p>Insert new commitments with no limitations for modes 2 and 3, mode 1 unbound*, mode 4 is unbound except as indicated in the horizontal section.</p>

Sector/subsector	Market Access Improvement
DISTRIBUTION SERVICES	
<p>Commission agents' services (CPC 62111, 62112**, 62113-62118)</p> <p>Includes services by commission agents, commodity brokers, auctioneers and other wholesalers who trade on behalf of others, of food products, and nonalcoholic beverages. Excludes tobacco, alcoholic beverages, and firearms.</p>	
<p>Wholesale trade services (CPC 6221**, 6222**, 6223 - 6228**)</p> <p>Wholesale trade services of agricultural raw materials and live animals. Excludes wholesale trade services of unmanufactured tobacco, tobacco products, alcoholic beverages and firearms.</p>	<p>Replace existing commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Retailing services (CPC 631**, 6321**, 63212, 6322, 6323, 6324, 6325, 6329**, 61112, 6113, 6121)</p> <p>Australia's commitments in relation to these services extend to cover the following services not listed in relevant CPC classifications: inventory management of goods, assembling, sorting and grading of goods, breaking bulk, re-distribution and delivery services for retailing. Does not cover dispensing of pharmaceuticals, retailing services of alcoholic beverages, tobacco products and firearms.</p>	<p>Replace existing commitments with no limitations for modes 2 and 3, mode 1 unbound except for mail order, mode 4 is unbound except as indicated in the horizontal section.</p>
Sector/subsector	Market Access Improvement
ENVIRONMENTAL SERVICES^{i, ii}	

ⁱ Australia's commitments on environmental services exclude the provision of water for human use, including water collection, purification and distribution through mains.

ⁱⁱ The classification scheme adopted on environmental services is largely based upon the scheme proposed by the European Communities (EC) in 2000 (see pages 6-7 of the EC paper "GATS 2000: Environmental Services", S/CSS/W/38), but see especially footnote 22 above.

<p>Wastewater management (CPC 9401)</p> <p>This covers removal, treatment and disposal of household, commercial and industrial sewage and other waste waters including tank emptying and cleaning, monitoring, removal and treatment of solid wastes.</p>	<p>Replace existing commitments on “Sewage services” with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Waste management (CPC 9402, 9403)</p> <p>This covers hazardous and non-hazardous waste collection, treatment and disposal (including incineration, composting and landfill); sweeping and snow removal, and other sanitation services</p>	<p>Replace existing commitments on “Refuse disposal services” and “Sanitation and similar services” with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Protection of ambient air and climate (CPC 9404)</p> <p>This covers services at power stations or industrial complexes to remove air pollutants; monitoring of mobile emissions and implementation of control systems or reduction programmes.</p>	<p>Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Remediation and clean-up of soil and water (CPC 9406**)ⁱ</p> <p>This covers cleaning-up systems in situ or mobile, emergency response, clean-up and longer term abatement of spills and natural disasters; and rehabilitation programmes (e.g. recovery of mining sites) including monitoring.</p>	<p>Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Noise and vibration abatement (CPC 9405)</p>	<p>Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>

Sector/subsector	Market Access Improvement
<p>This covers monitoring programmes, and installation of noise reduction systems and screens.</p>	

ⁱ This commitment and Australia’s commitment on protection of biodiversity and landscape combine to cover the entirety of CPC 9406 services.

<p>Protection of biodiversity and landscape (CPC 9406**)ⁱ</p> <p>This covers ecology and habitat protection and promotion of forests and promoting sustainable forestry.</p>	<p>Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Other environmental and ancillary services (CPC 9409)</p> <p>This covers other environment protection services, including services related to environmental impact assessment.</p>	<p>Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>TOURISM AND TRAVEL RELATED SERVICES</p>	
<p>Travel agencies and tour operators services (CPC 7471)</p>	<p>Replace existing commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>TRANSPORT SERVICES</p>	
<p>Air transport services</p>	
<p>Airport operation services, as defined in Article 9.1 (Definitions)</p>	<p>Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Ground handling services, as defined in Article 9.1 (Definitions)</p>	<p>Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>
<p>Aircraft repair and maintenance services during which an aircraft is withdrawn from service, excluding so-called line maintenance (CPC 8868**)</p> <p>This covers establishments mainly engaged in periodic maintenance and repair (routine and emergency) of airframes (including wings, doors, control surfaces) avionics, engines and engine components, hydraulics,</p>	<p>Replace existing commitment on “Maintenance and repair of aircraft” with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section.</p>

ⁱ This commitment and Australia’s commitment on remediation and clean-up of soil and water combine to cover the entirety of CPC 9406 services.

Sector/subsector	Market Access Improvement
<p>pressurisation and electrical systems and landing gear. Includes painting, other fuselage surface treatments and repair of flight-deck (and other) transparencies. Further includes rotary and glider aircraft.</p>	
<p>Selling and marketing of air transport services, as defined in Article 9.1 (Definitions)</p> <p>This commitment confirms, without extending, the application to air transport services of the following:</p> <ul style="list-style-type: none"> (a) travel agencies and tour operator services (CPC 7471); (b) market research and public opinion polling services (CPC 864); (c) advertising services (CPC 87110, 87120**, 87190), Covers services by advertising agencies in creating and placing advertising in periodicals, newspapers, radio and television for clients; outdoor advertising, media representation i.e. sale of time and space for various media; distribution and delivery of advertising material or samples. Does not include production or broadcast/screening of advertisements for radio, television or cinema; and (d) distribution: Commission agents' services (CPC 6211362118); Wholesale trade services (CPC 6223-6228); 	<p>Insert new commitments with no limitations on mode 1 except that Retailing services (CPC 631**, 63211**, 63212, 61112, 6113, 6121, 6322, 6323, 6324, 6325, 6329**) are unbound except for mail order, no limitations on modes 2 and 3. Mode 4 is unbound except as indicated in the horizontal section.</p>

Sector/subsector	Market Access Improvement
Retailing services (as described in this Appendix); and Franchising (CPC 8929). Excludes unmanufactured tobacco, tobacco products, alcoholic beverages and firearms.	
Rail transportation services	
Freight transportation (CPC 7112); Pushing and towing services (CPC 7113); and Supporting services for rail transport services (CPC 743).	<p>follows: commitments with no limitations for</p> <p>2. Mode 3 is limited as</p> <p>(a)</p> <p>below track: Most rail-track networks in Australia are government owned although much is leased to private operators. There are no restrictions on the right to establish new networks but access to public land may not be guaranteed.</p> <p>(b)</p> <p>above track (rail transport services (such as trains) that operate over the rail-track infrastructure): none except that access to rail infrastructure is allocated under pro-competitive principles for safety, efficiency and the long term interests of users.</p> <p>Mode 4 is unbound except as indicated in the horizontal section.</p>
Road transportation services	
Freight transportation (CPC 7123)	
- Transportation of frozen or refrigerated goods (CPC 71231)	Insert new commitments with no limitations for mode 1.
- Transportation of bulk liquids or gases (CPC 71232)	Insert new commitments with no limitations for mode 1.
- Transportation of containerized freight (CPC 71233)	Insert new commitments with no limitations for mode 1.
- Transportation of furniture (CPC 71234)	Insert new commitments with no limitations for mode 1.

- Mail transportation (CPC 71235)	Insert new commitments with no limitations
Sector/subsector	Market Access Improvement
	for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
- Freight transportation by man- or animal-drawn vehicles (CPC 71236)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
- Transportation of other freight (CPC 71239)	Insert new commitments with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Rental of commercial vehicles with operator (CPC 7124)	Insert new commitments with no limitations on modes 1-3, mode 4 is unbound except as indicated in the horizontal section
Services auxiliary to all modes of transport	
Storage and warehouse services (CPC 742 excluding maritime) Australia's commitment in relation to these services extends to cover the following services in addition to those listed in CPC 742: distribution centre services and materials handling and equipment services such as container station and depot services (excluding maritime).	Replace existing commitments with no limitations for modes 2 and 3, mode 1 is unbound*, mode 4 is unbound except as indicated in the horizontal section.
Freight transport agency services (CPC 748 excluding maritime) Australia's commitment in relation to these services extends to cover the following services in addition to those listed in CPC 748: customs agency services and load scheduling services (excluding maritime).	Replace existing commitments on "freight forwarding" with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.
Other supporting and auxiliary transport services (CPC 749 excluding maritime) Australia's commitment in relation to these services extends to cover the following services in addition to those listed under CPC 749: container leasing and rental services (excluding maritime).	Replace existing commitments on "preshipment inspections" with no limitations for modes 1-3, mode 4 is unbound except as indicated in the horizontal section.

* Unbound due to lack of technical feasibility.

** Indicates that the service specified constitutes only a part of the total range of activities covered by the CPC concordance.

8.2 Canada

CPTPP

For the following Sectors, Canada's obligations under Article XVI of the General Agreement on Trade in Services (GATS) are improved as described.

Sector/Sub-sector	Market Access Improvements
Accounting, Auditing, and Book-keeping services	<p>Under Mode 1 remove:</p> <p>Auditing</p> <ul style="list-style-type: none"> • Commercial presence requirement: Nova Scotia. • Citizenship requirement for accreditation: Manitoba and Quebec. • Permanent residence requirement for accreditation: Ontario. <p>Under Mode 2 remove:</p> <p>Auditing</p> <ul style="list-style-type: none"> • Commercial presence requirement: Nova Scotia. • Citizenship requirement for accreditation: Manitoba and Quebec. • Permanent residence requirement for accreditation: Ontario.
Architectural services	<p>Under Mode 1 remove:</p> <p>Architects</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Quebec.
Engineering services	<p>Under Mode 1 remove:</p> <p>Consulting Engineers</p> <ul style="list-style-type: none"> • Commercial presence requirement for accreditation: Manitoba. <p>Engineers</p> <ul style="list-style-type: none"> • Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. • Citizenship requirement for accreditation: Quebec. <p>Under Mode 2 remove:</p> <p>Consulting Engineers</p> <ul style="list-style-type: none"> • Commercial presence requirement for accreditation: Manitoba.

	<p>Engineers</p> <ul style="list-style-type: none"> • Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. • Citizenship requirement for accreditation: Quebec.
<p>Integrated engineering services</p>	<p>Under Mode 1 remove:</p> <p>Consulting Engineers</p> <ul style="list-style-type: none"> • Commercial presence requirement for accreditation: Manitoba. <p>Engineers</p> <ul style="list-style-type: none"> • Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. • Citizenship requirement for accreditation.: Quebec. <p>Under Mode 2 remove:</p> <p>Consulting Engineers</p> <ul style="list-style-type: none"> • Commercial presence requirement for accreditation: Manitoba. <p>Engineers</p> <ul style="list-style-type: none"> • Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. • Citizenship requirement for accreditation.: Quebec.
<p>Urban planning and landscape architectural services</p>	<p>Under Mode 1 remove:</p> <p>Community/ Urban Planning</p> <ul style="list-style-type: none"> • Citizenship requirement for use of title: Quebec.
<p>Real estate services</p>	<p>Under Mode 1 remove:</p> <p>Chartered Appraisers</p> <ul style="list-style-type: none"> • Citizenship requirement for use of title: Quebec.
<p>Management consulting services</p>	<p>Under Mode 1 remove:</p> <p>Agrologists</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Quebec.

	<p>Professional Administrators and Certified Management Consultants</p> <ul style="list-style-type: none"> • Citizenship requirement for use of title: Quebec Professional Corporation of Administrators. <p>Industrial Relations Counsellors</p> <ul style="list-style-type: none"> • Citizenship requirement for use of title: Quebec. <p>Under Mode 2 remove:</p> <p>Agrologists</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Quebec.
<p>Investigation and security services</p>	<p>Under Mode 3 remove:</p> <p>Business and Personnel Information Investigations</p> <ul style="list-style-type: none"> • Foreign ownership restriction to 25 per cent in total and 10 per cent by any individual holding shares: Ontario.
<p>Related scientific and technical consulting services</p>	<p>Under Mode 1 remove:</p> <p>Land Surveyors</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Nova Scotia and Quebec. <p>Subsurface Surveying Services</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Quebec. <p>Professional Technologist</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Quebec. <p>Chemists</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Quebec <p>Under Mode 2 remove:</p> <p>Land Surveyors</p> <ul style="list-style-type: none"> • Citizenship requirement for accreditation: Nova Scotia and Quebec. <p>Subsurface Surveying Services</p>

	<ul style="list-style-type: none"> • Citizenship requirement for accreditation: Quebec
Other business services	<p>Under Mode 1 remove:</p> <p>Certified Translators and Interpreters</p> <ul style="list-style-type: none"> • Citizenship requirement for use of title: Quebec. <p>Under Mode 2 remove:</p> <p>Certified Translators and Interpreters</p> <ul style="list-style-type: none"> • Citizenship requirement for use of title: Quebec. <p>Under Mode 3 remove:</p> <p>Collection Agencies</p> <ul style="list-style-type: none"> • Foreign Ownership restriction to 25 per cent in total and 10 per cent by any individual: Ontario.
Courier services	<p>Under Mode 3 remove:</p> <ul style="list-style-type: none"> • Economic needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): Nova Scotia and Manitoba.
General construction work for civil engineering	<p>Under Mode 3 remove:</p> <p>Construction</p> <ul style="list-style-type: none"> • An applicant and holder of a water power site development permit must be incorporated in Ontario.
Wholesale trade services	<p>Under Mode 1, remove:</p> <p>Marketing of Fish Products (Nova Scotia): Nova Scotia residents require ministerial approval to enter into agreements with non residents.</p>
Railway passenger and freight transport	<p>Under Mode 1, remove:</p> <ul style="list-style-type: none"> • cabotage limitation

<p>Road Passenger Transportation</p>	<p>Under Mode 3 remove:</p> <p>Interurban bus transport and scheduled services:</p> <ul style="list-style-type: none"> Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): Prince Edward Island.
<p>Road Freight transportation</p>	<p>Under Mode 3 remove:</p> <p>Highway freight transportation:</p> <ul style="list-style-type: none"> Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): British Columbia, Manitoba, Ontario, Prince Edward Island, Nova Scotia.
<p>Telecommunications</p>	<p>Under Mode 3 remove:</p> <p>Nova Scotia: no person may vote more than 1,000 shares of Maritime Telegraph and Telephone Ltd..</p>

Appendix I

For the following Sectors, Canada's obligations under Article XVI of GATS are improved as described.

Sector/Sub-sector	Market Access Improvements
Accounting, Auditing, and Book-keeping services	<p>Under Mode 1 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia. - Citizenship requirement for accreditation: Manitoba and Quebec. - Permanent residence requirement for accreditation: Ontario. <p>Under Mode 2 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia. - Citizenship requirement for accreditation: Manitoba and Quebec. - Permanent residence requirement for accreditation: Ontario.
Architectural services	<p>Under Mode 1 remove:</p> <p><u>Architects</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec.
Engineering services	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba. <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec. <p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation:
	<p>Manitoba.</p> <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec.

Integrated engineering services	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba. <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec. <p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba. <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec.
Urban planning and landscape architectural services	<p>Under Mode 1 remove:</p> <p><u>Community/ Urban Planning</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec.
Real estate services	<p>Under Mode 1 remove:</p> <p><u>Chartered Appraisers</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec.
Management consulting services	<p>Under Mode 1 remove:</p> <p><u>Agrologists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec. <p><u>Professional Administrators and Certified Management Consultants</u></p>
	<ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec Professional Corporation of Administrators. <p><u>Industrial Relations Counsellors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec. <p>Under Mode 2 remove:</p> <p><u>Agrologists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec.

Investigation and security services	<p>Under Mode 3 remove:</p> <p><u>Business and Personnel Information Investigations</u></p> <ul style="list-style-type: none"> - Foreign ownership restriction to 25 percent in total and 10 percent by any individual holding shares: Ontario.
Related scientific and technical consulting services	<p>Under Mode 1 remove:</p> <p><u>Land Surveyors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Nova Scotia and Quebec. <p><u>Subsurface Surveying Services</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec. <p><u>Professional Technologist</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec. <p><u>Chemists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec. <p>Under Mode 2 remove:</p> <p><u>Land Surveyors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Nova Scotia and Quebec. <p><u>Subsurface Surveying Services</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec.
Other business services	<p>Under Mode 1 remove:</p> <p><u>Certified Translators and Interpreters</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec.
	<p>Under Mode 2 remove:</p> <p><u>Certified Translators and Interpreters</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec. <p>Under Mode 3 remove:</p> <p><u>Collection Agencies</u></p> <ul style="list-style-type: none"> - Foreign Ownership restriction to 25 percent in total and 10 percent by any individual: Ontario.

Courier services	<p>Under Mode 3 remove:</p> <ul style="list-style-type: none"> - Economic needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): Nova Scotia and Manitoba.
General construction work for civil engineering	<p>Under Mode 3 remove:</p> <p><u>Construction</u></p> <ul style="list-style-type: none"> - An applicant and holder of a water power site development permit must be incorporated in Ontario.
Wholesale trade services	<p>Under Mode 1 remove:</p> <p>Marketing of Fish Products (Nova Scotia): Nova Scotia residents require ministerial approval to enter into agreements with non-residents.</p>
Railway passenger and freight transport	<p>Under Mode 1 remove:</p> <ul style="list-style-type: none"> - cabotage limitation
Road Passenger Transportation	<p>Under Mode 3 remove:</p> <p><u>Interurban bus transport and scheduled services:</u> - Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): Prince Edward Island.</p>
Road Freight transportation	<p>Under Mode 3 remove:</p> <p><u>Highway freight transportation</u></p> <ul style="list-style-type: none"> - Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): British Columbia, Manitoba, Ontario, Prince Edward Island, Nova Scotia.
Telecommunications	<p>Under Mode 3 remove:</p> <p>Nova Scotia: no person may vote more than 1,000 shares of Maritime Telegraph and Telephone Ltd.</p>

8.3 Peru

Peru-Korea FTA

Sector: All Sectors

Sub-Sector:

Obligations Concerned: Market Access (Article 10.4)

Description: Cross-Border Trade in Services

Peru reserves the right to adopt or maintain any measure relating to Article 10.4 (Market Access), except for the following sectors and sub-sectors subject to the limitations and conditions listed below:

Legal services: For (a) and (c): None, except that the number of notary positions is limited as follows:

- (i) 200 for the capital;
- (ii) 40 for each department capital; and
- (iii) 20 for each provincial capital (including the Constitutional Province of Callao).

For (b): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Accounting, auditing and book-keeping services: For (a), (b), (c) and (d): Peru reserves the right to adopt or maintain any measure that is not inconsistent with Peru’s obligations under Article XVI of GATS.

Architectural services and urban planning and landscape architectural services: For (a), (b) and (c): None, except that for temporary registration, non-resident foreign architects must have a contract of association with a Peruvian architect residing in Peru. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Engineering services and Integrated Engineering services:

For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Veterinary Services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Services provided by midwives, nurses, physiotherapists, and paramedical personnel: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la*

Contratación de Trabajadores Extranjeros”.

Computer and Related Services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Real Estate Services: Involving owned or leased property or on a fee or contract basis: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Rental/leasing services without crew/operators, related to vessels, aircraft, any other transport equipment, and other machinery and equipment:

For (a), (b) and (c): None, except that:

A “National Shipowner” or “National Ship Enterprise” is understood as a natural person of Peruvian nationality or juridical person constituted in Peru, with its principal domicile and real and effective headquarters in Peru, whose business is to provide water transportation services in national traffic or cabotage²⁰ and/or international traffic and who is the owner or lessee under a financial lease or a bareboat charter, with an obligatory purchase option, of at least one Peruvian flag merchant vessel and that has obtained the relevant Operation Permit from the General Aquatic Transport Directorate.

Cabotage is exclusively reserved to Peruvian flagged merchant vessels owned by a National Shipowner or National Ship Enterprise or leased under a financial lease or a bareboat charter, with an obligatory purchase option, except that:

- (i) up to 25 percent of the transport of hydrocarbons in national waters is reserved for the ships of the Peruvian Navy, and
- (ii) foreign-flagged vessels may be operated exclusively by National Shipowners or National Ship Enterprise for a period of no more than six months for water transportation exclusively between Peruvian ports or cabotage when such an entity does not own its own vessels or lease vessels under the modalities previously mentioned.

For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Advertising services: For (a), (b) and (c): None, except that:

Commercial advertising produced in Peru, must use at least 80 percent national artists. National artists shall receive no less than 60 percent of the total payroll for wages and salaries paid to artists. The same percentages established in the preceding sentences shall govern the work of technical personnel involved in commercial advertising. For (d): No commitments, except as indicated in the “*Ley del Artista, Intérprete y Ejecutante*” and “*Ley para la Contratación de Trabajadores Extranjeros*”.

²⁰ For greater certainty, water transportation includes transportation by lakes and rivers.

Market research and public opinion polling services, management consulting services, services related to management consulting, and technical testing and analysis services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Services related to agriculture, hunting, and forestry: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Services related to mining, placement and supply services of personnel, and investigation and security services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Services incidental to manufacturing:
For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Related scientific and technical consulting services:
For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Maintenance and repair of equipment (not including vessels, aircraft, or other transport equipment), building-cleaning services, photographic services, packing services and convention services:
For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Printing and publishing services: For (a), (b) and (c): None.
For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

National or international long-distance telecommunications services: For (a), (b), (c) and (d): Peru reserves the right to adopt or maintain any measure that is not inconsistent with Peru’s obligations under Article XVI of GATS.

Carrier telecommunications services, private telecommunications services and value added services²¹: For (a), (b), (c): None, except for the obligation of obtaining a concession, authorization, registry or any other title which Peru considers convenient to grant in order to habilitate the suppliers to provide these services. The juridical persons constituted under Peruvian law can be eligible for a concession.

Call-back, understood as being the offer of telephone services for the realization of attempts to make calls originating in the country with the objective of obtaining a return call with an invitation to dial, coming from a basic telecommunications network located outside the national territory, is prohibited.

²¹ Value added services shall be defined in accordance with Peruvian legislation.

International traffic shall be routed through the installations of a company holding a concession or other permission for operation granted by the “Ministerio de Transporte y Comunicaciones”.

Interconnection among private services is prohibited.

For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Commission agents services (except hydrocarbons): For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Retailing services, except alcohol and tobacco: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Wholesale trade services (except hydrocarbons): For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Franchising: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Repairment services of domestic and personal belongings: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Hotels and restaurants (including catering), travel agencies and tour operators services, and tourist guide services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Entertainment services (including theater, live bands, and circus services), news agencies services, libraries, archives, museums, and other cultural and sporting services: For (a), (b) and (c): None, except that:

- (i) any domestic theater²² and visual arts production and any domestic artistic live performance must be comprised of at least 80 percent national artists. National artists shall receive no less than 60 percent of the total payroll for wages and salaries paid to artists. The same percentages established in the preceding sentences shall govern the work of technical personnel involved in artistic activities. These percentages shall not apply in the case of domestic artistic live performances given by foreign casts hired as such outside Peru and whose performance constitutes the entire

²² The term “theater arts” means live performances or presentations such as drama, dance, or music.

work or entertainment and are properly qualified as cultural performance.

- (ii) a foreign circus may stay in Peru with the original cast for a maximum of 90 days. This period may be extended for the same period of time. If it is extended, the foreign circus will include a minimum of 30 percent Peruvian nationals as artists and 15 percent Peruvian nationals as technicians. The same percentages shall apply to the payroll of salaries and wages.

For (d): No commitments, except as indicated in the "*Ley del Artista, Intérprete y Ejecutante*" and "*Ley para la Contratación de Trabajadores Extranjeros*".

Exploitation of facilities for competitive and recreational sports: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the "*Ley para la Contratación de Trabajadores Extranjeros*".

Recreational parks services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the "*Ley para la Contratación de Trabajadores Extranjeros*".

Maritime and internal waterways transport services:

For (a), (b), (c) and (d): Peru reserves the right to adopt or maintain any measure that is not inconsistent with Peru's obligations under Article XVI of GATS.

Road Transport: rental of commercial vehicles with operator, maintenance and repair of road transport equipment, and exploitation of roads, bridges and tunnels services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the "*Ley para la Contratación de Trabajadores Extranjeros*".

Services auxiliary to all transport: cargo handling services; storage and warehouse services; freight transport agency services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the "*Ley para la Contratación de Trabajadores Extranjeros*".

Aircraft repair and maintenance services: For (a): No commitments. For (b) and (c): None. For (d): No commitments, except as indicated in the "*Ley para la Contratación de Trabajadores Extranjeros*".

Selling and marketing of air transport services, and computer reservation system services: For (a), (b) and (c): None. For (d): No commitments, except as indicated in the "*Ley para la Contratación de Trabajadores Extranjeros*".

Pipeline transport services:

For (a), (b) and (c): None. For (d): No commitments, except as indicated in the "*Ley para la Contratación de Trabajadores Extranjeros*".

Research and Development services on natural sciences: For

(a), (b) and (c): None, except that a permission of operation may be required and the competent authority may state the incorporation to the expedition of one or more representatives of the Peruvian pertinent activities, in order to participate and know the studies and its scope. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Research and Development services on social sciences and humanities: For (a), (b) and (c): None, subject to the respective authorizations of the competent authority. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

Interdisciplinary Research and Development services: For (a), (b) and (c): None, except that a permission of operation may be required. For (d): No commitments, except as indicated in the “*Ley para la Contratación de Trabajadores Extranjeros*”.

For greater certainty, nothing in this reservation shall be inconsistent with Peru’s commitments under Article XVI of the GATS.

For purposes of this non-conforming measure:

1. “(a)” refers to the supply of a service from the territory of one Party into the territory of the other Party;
2. “(b)” refers to the supply of a service in the territory of a Party by one person of that Party to a person of the other Party;
3. “(c)” refers to the supply of a service in the territory of a Party by an investor of the other Party or by a covered investment; and
4. “(d)” refers to the supply of a service by a national of a Party in the territory of the other Party.

Existing Measures:

Study for Final Review of Environmental Services Action Plan (MSAP) – Final Report

Peru-China FTA

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>Regarding property matters, the Peruvian Political Constitution establishes that, no foreign national or entity organized or owned in whole or part, directly or indirectly, by foreign nationals may own, directly or indirectly, by any means, a mine, land, forest, water, fuel, or energy sources located within 50 kilometers of the Peruvian border, under penalty of forfeiture of that right to the Peruvian state²³.</p> <p>Peru reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities and ethnic groups. For purposes of this paragraph: ethnic groups mean indigenous and native communities; minorities includes peasant ("<i>campesinos</i>") communities.²⁴</p> <p>Peru reserves the right to adopt or maintain any measure with respect to the provision of law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security and insurance, social security, social welfare, public education, public training, health, and childcare.³</p>		
	<p>4) Unbound, except for measures relating to the entry and temporary stay of natural persons in the categories included in the Chapter 9 (Temporary Entry for Business Persons), subject to the following requirements:</p> <ul style="list-style-type: none"> • must have a labour contract celebrated in written form with a set period and it must be previously approved by the Ministry of Labor ("<i>Ministerio de Trabajo</i>") as a condition to obtain authorization of entry as worker; • the maximum period of time of the contract is 3 years, which may be subsequently extended for like periods of time; • commitment to train national personnel in the same occupation; <p>all employers in Peru, independently of their activity or nationality, shall give preferential treatment to nationals when hiring its employees; and</p> <ul style="list-style-type: none"> • foreign natural persons may not represent more than 20% of the total number of employees of an enterprise, and their pay may not exceed 30% of the total payroll for wages and salaries. These percentages will not apply in the following cases: <ul style="list-style-type: none"> • if the foreign services supplier is the spouse, parent, child, or sibling of a Peruvian national; • foreign employees working for foreign companies providing international land, air and water transport under a foreign flag and registration; 		

²³ In case of any difference between the English version and the Spanish version of this paragraph, the Spanish version shall prevail.

²⁴ This reservation will not apply, to the extent of the inconsistency, to the sub sectors and modes committed by Peru in its Schedule of Commitments of 1994 (GATS/SC/69) and its modifications in the documents GATS/SC/69/Suppl.1 and GATS/SC/Suppl.2 of GATS. ³ Idem, footnote 2

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	<ul style="list-style-type: none"> • foreign employees of multinational service companies or banks, subject to the laws governing specific cases; • foreign investors, whenever its investment permanently maintains in Peru at least 5 tributary tax units during the life of their contract; or • artists, athletes or other service-providers engaged in public performances in Peruvian territory, for a maximum of 3 months a year. <p>Employers may request waivers for the percentages related to the number of foreign employees and their share of the company’s payroll in those cases involving:</p> <ul style="list-style-type: none"> • specialized professional or technical personnel; • directors or management personnel for new or converted business activities; teachers hired for post secondary education, or for foreign private elementary and high schools; or for foreign language teaching in local private schools; or for specialized language centres; • personnel working for public or private companies with contractual agreements with public institutions; and in any other case determined by supreme decree pursuant to specialization, qualification or experience criteria. 	
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II. SECTOR SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. Professional services			
a) Legal services (CPC 861)	1) None, except as indicated in (3) below. 2) None 3) None, except that the number of notary positions is limited as follows: a) 200 for the Capital; b) 40 for department capitals; and c) 20 for provincial capitals (including the Callao Constitutional Province) 4) Unbound, except as indicated in the horizontal section.	1) None, except as indicated in (3) below. 2) None 3) None, except that only Peruvian nationals by birth may practice as a notary. 4) Unbound, except as indicated in the horizontal section.	
b) Accounting, auditing and book-keeping services (CPC 862)	1) Unbound 2) Unbound 3) None, except that: auditing societies shall be constituted only and exclusively by public accountants licensed and resident in the country and duly qualified by the Board of Public Accountants of Lima (" <i>Colegio de Contadores Publicos de Lima</i> "). No partner may be a member of another auditory society in Peru. 4) Unbound, except as indicated in the horizontal section.	1) None, except as indicated in the market access column (mode 3). 2) None 3) None, except as indicated in the market access column (mode 3). 4) Unbound, except as indicated in the horizontal section.	

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
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<p>c) Taxation services (CPC 863)</p>	<p>1) Unbound 2) Unbound 3) Unbound 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	
<p>d) Architectural services (CPC 8671)</p>	<p>1) None, except as indicated in (3) below. 2) None 3) None, except that to obtain temporary registration, non-resident foreign architects must have a contract of association with a Peruvian architect residing in Peru. 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None, except as indicated in (3) below. 2) None 3) None, except that there may be a difference in the amount of the enrolment fee for Peruvians and foreigners. Also, to obtain temporary registration, non-resident foreign architects must have a contract of association with a Peruvian architect residing in Peru. 4) Unbound, except as indicated in the horizontal section.</p>	
<p>e) Engineering services (CPC 8672)</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	
<p>f) Integrated engineering services (CPC 8673)</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	
<p>g) Urban planning and landscape architectural services (CPC 8674)</p>	<p>1) None, except as indicated in (3) below. 2) None 3) None, except that to obtain temporary registration, non-resident foreign architects must have a contract of association with a Peruvian architect residing in Peru. 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None, except as indicated in (3) below. 2) None 3) None, except that there may be a difference in the amount of the enrolment fee for Peruvians and foreigners. 4) Unbound, except as indicated in the horizontal section.</p>	

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h) Veterinary services (CPC 932)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
j) Services provided by midwives, nurses, physiotherapists and para-medical personnel (CPC 93191)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	
k) Other, solely: Management consulting services for advice, guidance and operational assistance related to tourism development (CPC 86509)	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	
B. Computer and related Services (CPC 84)	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	
C. Research and Development Services (CPC 85)	1) None, except as indicated in (3) below. 2) None 3) None, except that a permission of operation or authorization may be required and the competent authority may state the incorporation to the expedition	1) None, except as indicated in (3) below. 2) None 3) None, except that archaeological research projects headed by foreign archaeologists must employ a Peruvian archaeologist with accredited experience	

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	<p>of one or more representatives of the Peruvian pertinent activities, in order to participate and know the studies and its scope.</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>registered in the National Registry of Archaeologists as scientific co-director or subdirector of the project. The co-director and subdirector shall participate in the integral execution of the project (field and office work).</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	
D. Real Estate Services (CPC 821 + 822)	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	
E. Rental/Leasing Services without Operators			
a) Relating to ships (CPC 83103)	<p>1) None, except as indicated in (3) below.</p> <p>2) None</p> <p>3) None, except that:</p> <p>A “National Shipowner” or “National Ship Enterprise” is understood as a natural person of Peruvian nationality or juridical person constituted in Peru, with its principal domicile and real and effective headquarters in Peru, whose business is to provide water transportation services in national traffic or cabotage²⁵ and/or international traffic and who is the owner or lessee under a financial lease or a bareboat charter, with an obligatory purchase option, of at least one Peruvian flag merchant vessel and that has obtained the relevant Operation Permit from the General Aquatic Transport Directorate (“<i>Dirección General de Transporte Acuático</i>”).</p>	<p>1) None, except as indicated in the market access column (mode 3).</p> <p>2) None</p> <p>3) None, except as indicated in the market access column (mode 3).</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	

²⁵ For greater certainty, water transportation includes transport by lakes and rivers.

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	<p>Cabotage is exclusively reserved to Peruvian flagged merchant vessels owned by a National Shipowner or National Ship Enterprise or leased under a financial lease or a bareboat charter, with an obligatory purchase option, except that:</p> <ul style="list-style-type: none"> (i) up to 25% of the transport of hydrocarbons in national waters is reserved for the ships of the Peruvian Navy; and (ii) foreign-flagged vessels may be operated exclusively by National Shipowners or National Ship Enterprises for a period of no more than 6 months for water transportation exclusively between Peruvian ports or cabotage when such an entity does not own its own vessels or lease vessels under the modalities previously mentioned. <p>4) Unbound, except as indicated in the horizontal section.</p>		
<p>b) Relating to aircraft (CPC 83104)</p>	<ul style="list-style-type: none"> 1) Unbound 2) Unbound 3) None, except that: The civil aviation operated under charter type has a complementary character. In the cases of operations operated by national service providers that render scheduled international air transportation service of passengers, cargo, and mail (mixed), using aircraft under the type of charter contracts with foreign enterprises, will be authorized under the following clauses: <ul style="list-style-type: none"> (a) When air services are being initiated on a new route, in that case will be authorized for a maximum of 90 calendar days, which may be extended for an additional 90 calendar days, subject to support of the air operator. When there exists a legal restriction that impedes a Peruvian aircraft conducting its operations for itself 	<ul style="list-style-type: none"> 1) Unbound 2) Unbound 3) None, except as indicated in the market access column (mode 3). 4) Unbound, except as indicated in the horizontal section. 	

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	<p>in another country, the charter will be approved exclusively for the routes and for the period of the restriction.</p> <p>(c) When there exists a technical impediment of an aircraft that can imply a paralyzation of scheduled operations. The period of authorization shall not exceed 90 calendar days, which can be extended subject to a favorable report of the Air Security Department of the Civil Aviation Headquarters (<i>"Dirección de Seguridad Aérea de la Dirección General de Aeronáutica Civil"</i>).</p> <p>By public necessity or national interest, national air transportation service providers can be authorized to execute air charter contracts with foreign enterprises for the rendering of services within national territory. This authorization will be granted by means of supreme decree, proposed by the sector.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>		
c) Relating to other transport equipment (CPC 83101, 83102, 83105)	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	
d) Relating to other machinery and equipment (CPC 83106 -83109)	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	

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e) Other (CPC 832)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
F. Other Business Services			
a) Advertising services (CPC 871)	1) None, except as indicated in (3) below. 2) None 3) None, except that: Commercial advertising produced in Peru, must have at least 80% of national artists. National artists shall receive no less than 60% of the total payroll for wages and salaries paid to artists. The same percentages established in the preceding paragraphs shall govern the work of technical personnel involved in commercial advertising. 4) Unbound, except as indicated in the horizontal section and in the measure above.	1) None, except as indicated in the market access column (mode 3). 2) None 3) None, except as indicated in the market access column (mode 3). 4) Unbound, except as indicated in the horizontal section and in the market access column (mode 3).	
b) Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	
c) Management consulting service (CPC 865)	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

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d) Services related to management consulting (CPC 866)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	
e) Technical testing and analysis services (CPC 8676)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	
f) Services incidental to agriculture, hunting and forestry (CPC 881)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None Unbound, except as indicated in the horizontal section	
g) Services incidental to fishing (CPC 882)	1) Unbound 2) Unbound 3) Unbound 4) Unbound, except as indicated in the horizontal section.	1) None, except as indicated in (3) below. 2) None. 3) None, except that: Before commencing operations, shipowners of foreign-flagged fishing vessels must present an unconditional, irrevocable, letter of guarantee with automatic execution and joint liability, which will be valid for no more than 30 calendar days after the expiry of the fishing permit, issued for the benefit and to the satisfaction of the Ministry of Production (“Ministerio de la Producción”) by a financial, banking or insurance institution recognized by the Superintendency of Banking, Insurance and Private Pension Fund Administrators (“SBS - Superintendencia de Banca, Seguros y AFP”). Such letter shall be issued in an amount equal to 25% of the amount that must be paid for fishing rights. A shipowner of a foreign-flagged fishing vessel, that is not of large scale and that operates in Peruvian jurisdictional waters must rely on the Satellite Tracking System in its	

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		<p>vessel, except for shipowners operating in highly migratory fisheries who are excepted from this obligation by a Ministerial Resolution.</p> <p>Foreign-flagged fishing vessels with a fishing permit must have on board a scientific technical observer appointed by the Sea Institute of Peru (“IMARPE - Instituto del Mar del Perú”). The shipowner must provide accommodation on board for that representative and a daily stipend, which must be deposited in a special account to be administered by IMARPE. Shipowners of foreign-flagged fishing vessels that operate in Peruvian jurisdictional waters must hire a minimum of 30% of Peruvian crew, subject to applicable domestic legislation. Peru reserves the right to adopt or maintain any measure relating to artisanal fishing. 4) Unbound, except as indicated in the horizontal section.</p>	
h) Services incidental to mining (CPC 883+5115)	<p>1) None 2) None 3) None Unbound, except as indicated in the horizontal section.</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	
k) Placement and supply services of personnel (CPC 872)	<p>1) None 2) None 3) None Unbound, except as indicated in the horizontal section.</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	
l) Investigation and security (CPC 873)	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None, except as indicated in (3) below. 2) None. 3) None, except that: Persons hired as security watchmen must be Peruvian nationals by birth.</p> <p>A senior manager of an enterprise that supplies security services must be a Peruvian national by birth and be a resident of Peru.</p>	

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		4) Unbound, except as indicated in the horizontal section and in (3) above.	
n) Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633+8861-8866)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
o) Building-cleaning services (CPC 874)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
p) Photographic services (CPC 875)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
q) Packaging services (CPC 876)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
r) Printing of packaging materials (CPC 88442**)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

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s) Convention services (87909)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
t) Other (CPC 8790), except: ③ Credit Rating Services (CPC 87901) ③ Jewelry design services in general (CPC 87907**) ③ Other Business Services non elsewhere classified (CPC 87909)	1) Unbound 2) Unbound 3) Unbound 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
2. COMMUNICATION SERVICES	The provision of postal, courier or telecommunication services in Peru requires a concession or another authorization (including registration) that enables the suppliers to provide these services. To grant a concession or another authorization, commercial presence may be required.		
A. Postal services (CPC 7511)	1) Unbound 2) Unbound 3) Unbound 4) Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
B. Courier services (CPC 7512)	1) Unbound 2) Unbound 3) Unbound 4) Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

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<p>C. Telecommunication services</p> <p>a) Voice telephone services</p> <p>b) Packet-switched data transmission services</p> <p>c) Circuit-switched data transmission services</p> <p>d) Telex services</p> <p>e) Telegraph services</p> <p>f) Facsimile services</p> <p>g) Private leased circuit services</p> <p>o) Other:</p> <ul style="list-style-type: none"> - Analogue/digital mobile/cellular services - Personal communication services - Paging services - Mobile data services - Trunking services 	<p>1) None, except for the obligation of obtaining a concession, authorization, registry or any other title which Peru considers convenient to grant in order to enable the suppliers to provide these services. The juridical persons constituted under Peruvian law can be eligible for a concession.</p> <p>The Call-back, understood as being the offer of telephone services for the realization of attempts to make calls originated in the country with the objective of obtaining a return call with an invitation to dial, coming from a basic telecommunications network located outside the national territory, is prohibited.</p> <p>The international traffic shall be routed through the facilities of a company holding a concession or other permission for operation granted by the Ministry of Transportation and Communications (<i>“Ministerio de Transportes y Comunicaciones”</i>).</p> <p>The interconnection among private services is prohibited.</p> <p>2) None, except that:</p> <p>The Call-back, understood as being the offer of telephone services for the realization of attempts to make calls originated in the country with the objective of obtaining a return call with an invitation to dial, coming from a basic telecommunications network located outside the national territory, is prohibited.</p> <p>3) None, except for the obligation of obtaining a concession, authorization, registry or any other title which Peru considers convenient to grant in order to enable the suppliers to provide these services. The juridical persons constituted under Peruvian law can be eligible for a concession.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) None, except as indicated in the horizontal section.</p>	
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	<p>The Call-back, understood as being the offer of telephone services for the realization of attempts to make calls originated in the country with the objective of obtaining a return call with an invitation to dial, coming from a basic telecommunications network located outside the national territory, is prohibited.</p> <p>The international traffic shall be routed through the facilities of a company holding a concession or other permission for operation granted by the Ministry of Transportation and Communications ("<i>Ministerio de Transportes y Comunicaciones</i>").</p> <p>The interconnection among private services is prohibited.</p> <p>4) None, except as indicated in the horizontal section.</p>		
<p>h) Electronic mail (CPC 7523**) i) Voice mail (CPC 7523**) j) On-line information and data base retrieval (CPC 7523**) k) Electronic data interchange (EDI) (CPC 7523**) l) Enhanced/ value-added facsimile services, incl. store and forward, store and retrieve (CPC 7523**) m) Code and protocol conversion (CPC n.d.) n) On-line information and/or data processing (incl.</p>	<p>1) None, except as indicated in (3) below. 2) None 3) None, except that the Ministry of Transportation and Communications ("<i>Ministerio de Transportes y Comunicaciones</i>") reserves the right to determine in the future the cases that will require a concession or authorization for the provision of any of the services between h and n. 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>	

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transaction processing) (CPC 843**)			
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. General construction work for buildings (CPC 512)	1) Unbound 2) Unbound 3) Unbound Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
B. General construction work for civil engineering (CPC 513)	1) Unbound 2) Unbound 3) Unbound Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
C. Installation and assembly work (CPC 514+516)	1) Unbound 2) Unbound 3) Unbound Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
D. Building completion and finishing work (CPC 517)	1) Unbound 2) Unbound 3) Unbound Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

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E. Other (CPC 511+ 515+ 518)	1) Unbound 2) Unbound 3) Unbound 4) Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
4. DISTRIBUTION SERVICES			
A. Commission agents' services (CPC 621) except for hydrocarbons	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	
B. Wholesale trade services (CPC 622), except for hydrocarbons and products that are identified as handicrafts of Peru	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
C. Retailing services			
Retailing services of food (CPC 631), except for alcohol and tobacco	1) None 2) None 3) None Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
Retailing services of non-edible products (CPC 632) except for products that are identified as handicrafts of Peru	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

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Retailing services of motor vehicles (CPC 6111)	<ul style="list-style-type: none"> 1) None 2) None 3) None 5) Unbound, except as indicated in the horizontal 	<ul style="list-style-type: none"> 1) None 2) None 3) None 5) Unbound, except as indicated in the horizontal 	
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[Peru-Mexico FTA](#)

Modes of supply:

- 1) Cross-border supply
- 2) Consumption abroad
- 3) Commercial presence
- 4) Presence of natural persons

Sector or subsector & Limitations to Market Access

Juridical services

- 1) None, except as indicated in 3) *below*.
- 2) None
- 3) None, unless a maximum number of places for notaries is established depending on the number of inhabitants of each city.
- 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Accounting services, audit and maintenance of books

- 1) None, except that no partner of an audit firm may be an integral member of another audit company in Peru.
 - 2) None
 - 3) None, except that no partner of an audit firm may be an integral member of another audit company in Peru.
 - 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).
- III-PN-2

Services of Tax Advice

- 1), 2) and 3) None.
- 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Architectural services

- 1), 2) and 3) None, except for non-resident foreign architects for temporary registration require an association contract with a resident Peruvian architect.
- 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Engineering services

- 1), 2) and 3) None.
- 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Integrated services of engineering

- 1), 2) and 3) None.
- 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Veterinary services

- 1), 2) and 3) None.
- 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services provided by midwives, nurses, physical therapists and staff paramedic

- 1), 2) and 3) None.
- 4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

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Computer services and related services

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Real estate services

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services of lease or rent without operators, related to ships, aircraft, any other team of transport and other machinery and equipment

1), 2) and 3) None, unless: "National Shipping Company" or "National Shipping Company" means the natural person of nationality

Peruvian or legal entity incorporated in Peru, with main domicile, real and effective headquarters in the country, which is dedicated to the water transport service in national traffic or cabotage and / or traffic international, be the owner or lessee under the modalities of financial leasing or bareboat leasing, with a mandatory purchase option, of at least one ship

Peruvian flag merchant, and has obtained the corresponding operating permit from the General Directorate of Aquatic Transport.

Commercial water transport in domestic traffic or cabotage is reserved exclusively to Peruvian flag merchant ships owned by the "National Shipping Company" or "Shipping Company Nacional", or under the modalities of Financial Leasing or Bare Hull Leasing,

with a mandatory purchase option, except for the following exceptions:

(i) the transportation of hydrocarbons in national waters is reserved up to 25% for ships of the Peruvian Navy; and

(ii) for water transport between Peruvian ports only and, in the cases of non-existence of own or leased ships under the aforementioned modalities, chartering will be allowed of foreign flag ships to be operated, only, by national shippers or companies national shipping companies, for a period not to exceed 6 months.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Advertising services

1), 2) and 3) None, except that: commercial advertising in the country must count as minimum with 80 percent of national artists. National artists must perceive no less than 60 percent of the total payroll for artists. The same percentages established in the preceding paragraphs apply to the technical worker linked to the commercial advertising.

4) Without commitments, except as established in the Law of the Artist, Interpreter and Performer and in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services of investigation of markets and surveys public opinion of consultants in administration, related to those of the consultants in administration and essays And analysis technicians

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Related services with agriculture, hunting and forestry

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Related Services with mining, from placement and supply of personnel, and of investigation and security

1), 2) and 3) None.

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4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Related services of science consultants and technology

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services of maintenance and equipment repairation (excluding the boats, the aircraft or other transportation equipment, cleaning services buildings, service photographic service packaging and services provided on the occasion of assemblies and conventions)

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Editorial and publishing services printing

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services of telecommunications national long distance or international

1), 2), 3) and 4): Peru reserves the right to adopt or maintain any measure that is not incompatible with the obligations of Peru in accordance with Article XVI of the GATS.

Carrier services telecommunications, private services of telecommunications and Services of value aggregate

1), 2) and 3) None, except the obligation to obtain a concession, authorization or registration for the provision of said services respectively, or another enabling title that Peru considers convenient to grant. Legal entities established in accordance with Peruvian law. They may be eligible for a grant.

Call-back is prohibited, understood as the offer of telephone services for the attempts to make telephone calls originated in the country, in order to obtain a call back with tone of invitation to dial, coming from a basic network of telecommunications located outside the national territory.

International traffic must be routed through an operator to which the Ministry of Transport and Communications has granted you a concession or other enabling title.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

General works of construction for the edification

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

General works of building Civil Engineering

for 1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Armed of buildings precast and jobs of installation

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Completion work of buildings

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services of commission agents (except hydrocarbons)

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Commercial services to retail except alcohol and tobacco

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Commercial services to wholesale (except hydrocarbons)

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Franchise services

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Repair services personal items and domestic

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Hotel services and restaurants (included the services of food supply from the outside by contract), from travel and organization group travel, guides tourism

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services of entertainment (theaters, bands and orchestras, and circuses), services news agencies libraries, records, museums and other services cultural and services sports.

1), 2) and 3) None, except the following:

i. all national artistic audiovisual production and all national artistic show presented directly to the public, it must be made up of at least 80 percent artists national. National artists must receive no less than 60 percent of the total artists salary and wages schedule. The same percentages apply to the worker technician linked to artistic activity; and

ii. Every foreign circus show will enter the country with its original cast, for a period maximum of 90 days, and may be extended for the same period. In the latter case, will incorporate at least 30 percent of national artists and 15 percent of the artistic cast hundred of national technicians. These same percentages must be reflected in the Wages and salaries.

4) Without commitments, except as established in the Law of the Artist, Interpreter and Performer and the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Operating services of facilities for competition sports and for sports spreading

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers

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(Legislative Decree No. 689, modified by Law No. 26196).

Park services playtime

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Transport services by road: rental of vehicles commercial with driver, maintenance and equipment repair, road transport, operating services of roads, bridges and tunnels

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Auxiliary services in relationship with all transport: cargo services and download, of storage, of transport agencies load

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Repair services and maintenance of aircraft

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Sales services and commercialization of transport services air, and services computerized reservation

1), 2) and 3) None.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Research services and science development natural

1), 2) and 3) None, except that an operations permit and the competent authority may be required may arrange for the expedition to include one or more representatives of the activities relevant Peruvians in order to participate and learn about the studies and their scope.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services of research and development of social sciences and humanities

1), 2) and 3) None, subject to the respective authorizations of the competent authority.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

Services interdisciplinary of Investigation and development

1), 2) and 3) None, except that an operations permit may be required.

4) Without commitments, except as established in the Law for the Hiring of Foreign Workers (Legislative Decree No. 689, modified by Law No. 26196).

9 Annex E: Data Collection

Please see separate document.

10 Annex F: References

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