

ASEAN Economic Ministers Sign Protocol to Implement the Initial Package of Commitments under the ASEAN Framework Agreement on Services

Kuala Lumpur, 15 December 1997

The ASEAN Economic Ministers (AEM) today signed the Protocol to implement the Initial Package of Commitments under the ASEAN Framework Agreement on Services. The Protocol commits ASEAN Member Countries to according preferential treatment in market access for trade in services from 31 March 1998. These commitments for preferential treatment were the result of negotiations which commenced in 1996, following the signing of the ASEAN Framework Agreement on Services on 15 December 1995.

This initial package signifies ASEAN's progress, as mandated by the 5th ASEAN Summit in December 1995, towards closer economic integration by establishing a free trade area in services that would complement the free trade area in goods, under the ASEAN Free Trade Area (AFTA). This initial package includes the following sectors:

- a. tourism (all ASEAN Member Countries)
- b. maritime transport (Brunei Darussalam, Indonesia, Malaysia, Thailand)
- c. air transport (Brunei Darussalam, Malaysia, Singapore)
- d. business services (The Philippines) and
- e. telecommunications (Vietnam)

The Commitment would accord, where applicable, market access of national treatment to like services sectors from other ASEAN Member Countries which are better than Member Countries' commitments under the General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO).

A second phase of negotiations will commence in 1998 for a final package of commitments, to be completed by 31 December 1998. This will be more substantive and will involve seven services sectors, i.e. maritime transport, air transport, construction, financial services, telecommunications, tourism and business services.

SOURCE: ASEAN Secretariat World Wide Web site <<http://www.asean.or.id/summit/prsrv97.htm>>.