

REPORT

Subcommittee on Trade in Services

January - December 2016

The report is prepared with the purpose of presenting a summary of actions undertaken under the Chairmanship of Montenegro of the CEFTA Subcommittee on Trade in Services during the period of 1st of January to 31 December 2016.

I. BACKGROUND

The CEFTA Subcommittee on Trade in Services established by the Ministerial Decision of the CEFTA Joint Committee No. 5/2014 from 21 November 2014 and amended by Decision No. 2 of 26 November 2015 has for the objective to ensure the smooth implementation of the commitments undertaken in Chapter VI A of the CEFTA 2006 and with the goal of enhancing the intraregional trade in services. It comprises representatives of the CEFTA Parties at the level of senior civil servants from ministries responsible for trade in services. It holds regular annual meetings but it can meet on an *ad hoc* basis whenever there is a need.

The task of the Subcommittee is to strengthen and deepen the intra-regional cooperation in the field of trade in services by facilitating the implementation of the commitments spelled out in Articles 26–29 of the CEFTA 2006.

The Subcommittee oversees and streamlines the work of the Negotiating Group on Trade in Services and the Working Group on Trade in Services Statistics, FATS and FDI Statistics. It also collaborates closely with the RCC on administering of the Joint RCC-CEFTA Working Group on Recognition of Qualifications – all with the objective of promoting greater trade in services by the CEFTA Parties.

The mandate and scope of the Subcommittee is to:

- Coordinate, oversee and streamline the work of bodies established under this Subcommittee;
- Monitor the progress on liberalisation of trade in services, including but not limited to negotiating the schedule of specific commitments and give directions or guidelines as necessary in order to finalise the process;
- Facilitate and supervise the implementation and application of Additional Protocol on Trade in Services;
- Exchange information on regulatory reform in services sectors; Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services;
- Identify, review and propose measures for elimination of barriers in trade in services among Parties;
- Coordinate the efforts of CEFTA Parties to increase transparency of their policies, laws and regulations and administrative practices affecting trade in services i.e. by encouraging CEFTA Parties to establish single point of information/enquiry;
- Act as a forum for exchange of experiences on adoption of the EU *Acquis* in the context of relevant EU integration process;
- Commission studies and analyses in order to fulfil the tasks of these terms of reference;
- Cooperate with other relevant regional and international structures with a view to deepen the regional cooperation in investment and trade in services.

The following working bodies are set up in the Subcommittee on Trade in Services:

Negotiating Group on Trade in Services with the objective to ensure progressive liberalisation and mutual opening of the services markets of CEFTA Parties.

Working Group on Trade in Services Statistics, FATS and FDI Statistics with the objective to improve the quality of international trade in services statistics across the CEFTA Region and harmonise the statistics with those of the European Union.

Joint CEFTA-RCC-ERISEE Working Group on Recognition of Professional Qualifications with the objective to enhance the intraregional trade in services by facilitating recognition of professional qualifications.

II. PRIORITIES OF THE CHAIRMANSHIP

Montenegro as a Chair of the Subcommittee has confirmed its commitment to continue the work started by its predecessors in the area of trade in services and introduced new priorities in order to secure the fulfilment of objectives set up in the Work Programme:

1. Working on finalizing the process of negotiations on trade in services amongst CEFTA Parties;
2. Improve the quality and uniformity of trade in services, FATS and FDI statistics based on the needs and compilers;
3. Working on enhancing free movement of professionals and experts by facilitating recognition of professional qualifications in CEFTA Parties in the priority sectors
4. Cooperate with regional organizations and draw on the best practice in international community to address the barriers which threaten to hamper trade in services among CEFTA Parties in a most efficient way;
5. Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services
6. Increase transparency of the CEFTA Parties policies, laws and regulations and administrative practices affecting trade in services;

III. ACTIVITIES

In line with its mandate, the CEFTA Secretariat provided necessary technical and administrative support to the Chair for the implementation of the Work Programme for 2016 and assisted the CEFTA Parties in the organisation of the regular meetings of the working bodies of the Subcommittee.

Activities	Current state of play	Remarks/Results	Risk
1. Coordination of activities with other CEFTA Structures	Status: On-going	a) Results achieved reported to the Deputy Ministers (June 2016) and to the Joint Committee (9 December 2016)	Low
2. Liberalization of trade in services amongst CEFTA Parties <ul style="list-style-type: none"> • Negotiations on Additional Protocol 6 on Trade in Services 	Status: In stage of finalisation	a) Technical part of the negotiations on liberalisation of trade in services are aimed to be finalized by the end of 2016 b) Text of the Additional Protocol 6 on Trade in Services and Annex 1 is finalised c) Negotiations on Sector Specific Commitments are in final stage. d) Three sessions of the CEFTA Negotiating Group on Trade in Services are held (April, June, September), fourth session is held on December 5 e) Legal scrubbing session of the draft text of the Additional Protocol on Trade in Services took place in Brussels on 14 November 2016 f) The Subcommittee on Trade in Services held its second session on 6 December with the aim to take a stock of activities of its subordinate bodies.	Low - Medium
3. Improvement of quality and uniformity of trade in services, FATS, and FDI statistics <ul style="list-style-type: none"> a) Review of quality and availability of trade in services statistics, FATS and FDI b) Priorities for further development of statistics in sectors of common interest c) Reporting on services 	Status: On-going	a) The second meeting of the Working Group on Trade in Services Statistics, FATS and FDI statistics was held on 28 October. b) Review of quality and availability of trade in services statistics, FATS and FDI statistics completed and gaps in data reporting identified c) CEFTA MIS Datasets developed and agreed by the members of the Working Group. A web based software for reporting data to the Secretariat is agreed to be developed. Full functioning expected in first quarter of 2017. d) The regional indices for monitoring commitments in the area of trade in services and investment are developed and agreed.	Low

statistics, FATS and FDI Statistics to the CEFTA Secretariat		e) Kick-off meeting on preparation of the first regional CEFTA Investment Report held on 28 October. Further activities with the detailed timeframe developed and agreed.	
<p><i>4.Free movement of skilled labour and professionals</i></p> <p>a) Conclusion of agreements on mutual recognition of professional qualifications</p> <p>b) Regional data exchange on mobility of professionals and future skill needs</p>	<i>Status: On-going</i>	<p>a) Assessment study aimed at identifying sectors and professions of mutual interest for conclusion of MRAs completed.</p> <p>b) Agreement on two selected sectors (health and construction) and four professions (doctors, dentists, architects and civil engineers) for potential MRAs is reached.</p> <p>c) Tenders on feasibility studies for four selected professions have been launched</p> <p>d) First meeting held in September, second scheduled for 15 December.</p> <p>e) Preparatory workshop for negotiations held in November. The objective was to consult on modalities, timeframe and roadmap for negotiations on MRAs.</p>	Low
<p><i>5.Intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services</i></p> <p>a) Exploring possibilities for enhancement of existing regional collaboration and potential conclusion of new arrangements on cooperation</p>	<i>Status: On-going</i>	<p>a) Tender on Study on Improvement of Regulatory Cooperation in CEFTA is published end of October. Review of existing agreements as well as proposals on concrete arrangements of intra-regional cooperation are to be key deliveries of the Study.</p> <p>b) The kick off meeting will be held on 6 December within the framework of the Subcommittee on Trade in Services where the activities and timeframe of the project will be further defined and agreed.</p>	Low
<p><i>6.Enhancing Transparency and Share of Information</i></p>	<i>Status: On-going</i>	<p>a) Transparency mechanism on services information (CEFTA Secretariat website) in use.</p> <p>b) Achievements in trade in services are widely promoted at the conferences, forums, workshops (Prime Ministers Summit, visibility events across the region, CEFTA Week 2016, etc.)</p>	Low

IV CALENDAR OF EVENTS in 2016

MEETING, EVENT	DATE, PLACE
Seventh Meeting of the CEFTA Negotiating Group on Trade in Services	5-6 April Podgorica
Third meeting of CEFTA-RCC- ERISEE the Joint Working Group on Recognition of Professional Qualifications	14 April Sarajevo
Eighth Meeting of the CEFTA Negotiating Group on Trade in Services	20-21 June Herceg Novi
Ninth Meeting of the CEFTA Negotiating Group on Trade in Services	21-22 September Podgorica
Second Meeting of the CEFTA Working Group on Trade in Services Statistics, FATS and FDI statistics	28 October Podgorica
CEFTA-RCC-ERISEE Workshop on preparation for negotiations on recognition of professional qualifications	21-22 November Zagreb
Tenth Meeting of the CEFTA Negotiating Group on Trade in Services	5 December Podgorica
Second meeting of the CEFTA Subcommittee on Trade in Services	6 December Podgorica
Fourth meeting of the Joint CEFTA –RCC- ERISEE Working Group on Recognition of Professional Qualifications	15 December Tirana