



Policy statement

ICC policy statement on WTO telecom services negotiations

Prepared by the Commission on E-Business, IT and Telecoms

ICC urges all WTO members to concentrate their efforts on improving the number and quality of their offers on telecommunications.

There is wide agreement that the major telecom priority for the services negotiations in the Doha round is to improve WTO members' market access commitments and the adoption of the Reference Paper on basic telecommunications services. Liberalization, complemented by transparency, competition, and regulatory reform are critical to economic growth and stability. Governments, business users and consumers all stand to benefit from greater competition, choice and convenience. The success of the Doha Round will depend on the active participation of all countries towards achieving these goals.

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ICC believes that liberalization of telecommunications services and facilities must continue to be a top priority of WTO members for the services negotiations because of the dual role that telecommunications plays as a distinct sector and as the necessary infrastructure for the delivery or transport of other goods and services, including via the Internet and e-commerce.

As demonstrated by markets where competition in basic telecommunications services was introduced and where value-added telecommunications services have been provided on a competitive basis, competition benefits both consumers and business users by stimulating more choice, increased demand, greater innovation and the rapid delivery of products and services.

A liberalized telecommunications market also encourages the development of e-commerce, as shown by the rapid growth of the Internet in countries with competitive telecommunications markets.

Notwithstanding all that has been achieved to date, only a relatively small number of WTO member countries have made WTO commitments to provide the full and immediate opening of their value-added and basic telecommunications markets, including: (1) full competition for all telecommunications services, including all basic services on both a facilities and resale basis; (2) no restrictions preventing majority foreign ownership of telecommunications providers; and (3)

adherence to the regulatory principles of the “Reference Paper” for basic telecommunication services.

ICC therefore urges WTO members to take advantage of the Doha Round to encourage countries that have not already done so to deepen their commitments. Specific suggestions relating to these commitments are set forth below.

Basic telecommunications

ICC would like to see real improvements in existing basic telecoms commitments as well as first-time commitments from WTO members that have not made basic telecoms commitments in the past.

Broader market access commitments

Countries should commit to full-service market access on both a facilities and resale basis. This is particularly important in light of the convergence of services made possible by digital technology.

Commitments to the “Reference Paper” on basic telecommunications services

For companies to compete effectively, countries should commit to the “Reference Paper” on regulatory principles for basic telecommunications services in its entirety.

Reduction or elimination of restrictions on foreign ownership

Significant progress in reducing foreign ownership restrictions was obtained during the basic telecommunications negotiations, but in many countries foreign ownership restrictions continue to apply. Countries limiting foreign investment harm their long-term development interests as well as short term consumer welfare by deterring potential investors, requiring them to enter into non-market-oriented partnerships, and denying consumers and businesses the service and price benefits of competition. ICC therefore urges WTO members to make the removal of restrictions on foreign investment a priority in the negotiations.

Commitments from additional countries

Of the 148 WTO members, 91 governments have made telecommunications market access commitments covering either basic or value added services of which 77 governments have fully adopted them. ICC encourages all WTO members to make meaningful market-opening commitments, including:

- full liberalization by a date certain,
- progressive removal of foreign ownership restrictions, and
- adoption of the “Reference Paper” in its entirety.

Value-added services

A number of countries made commitments as part of the Uruguay Round to open their markets for the provision of value-added telecommunications. These commitments facilitate on-line information and data-processing services, as well as electronic mail and voice mail. They have proved beneficial to countries wanting to phase-in competition prior to opening up basic services. ICC seeks and advocates further liberalization in the provision of value-added services in the Doha Round, namely:

- broader market-access commitments that cover the full range of value-added services,
- timelier implementation dates,
- reduction or elimination of foreign ownership restrictions, and
- commitments from additional countries.

Moreover, while ICC agrees that the “Reference Paper” on basic telecommunications does not apply and should not be applied to value-added services, including Internet services. ICC urges WTO members to adhere to the “GATS Telecommunications Annex” which ensures that all value-added service providers, including Internet Service Providers, have non-discriminatory access and use of the traditional underlying public telecommunications infrastructure necessary for the provision of these services.

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ICC urges all WTO members to concentrate their efforts to improve the number and quality of their offers on telecommunications, as time is running short for the Doha round without significant progress in this area so far.

About ICC

ICC is the world business organization, the only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world. ICC promotes an open international trade and investment system and the market economy. Business leaders and experts drawn from the ICC membership establish the business stance on broad issues of trade and investment, e-business, IT and telecoms policy, as well as on vital technical and sectoral subjects. ICC was founded in 1919 and today it groups thousands of member companies and associations from over 130 countries.

Document N° 373/463

9 June 2005 AH/MvdL/dfc