

Liberalisation of World Telecom

The WTO agreement to liberalize international trade in basic telecommunications services will come into effect on 5 February 1998. The 72 WTO member governments, which have agreed to open their domestic markets to foreign companies, account for nearly 93 per cent of the total domestic and international revenue of US\$ 600 billion generated in this sector annually.

Examples of the services covered by this agreement include voice telephony, data transmission, telex, telegraph, facsimile, private leased circuit services (i.e. the sale or lease of transmission capacity), fixed and mobile satellite systems and services, cellular telephony, mobile data services, paging and personal communications systems.

The end of the negotiations on 15 February 1997 resulted in 55 schedules of commitments, covering 69 countries (counting individually the 15 member states covered in the single EC schedule).

The 55 schedules are from: Antigua & Barbuda, Argentina, Australia, Bangladesh, Belize, Bolivia, Brazil, Brunei Darussalam, Bulgaria, Canada, Chile, Colombia, Cote d'Ivoire, Czech Republic, Dominica, Dominican Republic, Ecuador, El Salvador, EC & its member states, Ghana, Grenada, Guatemala, Hong Kong (China), Hungary, Iceland, India, Indonesia, Israel, Jamaica, Japan, Korea, Malaysia, Mauritius, Mexico, Morocco, New

Zealand, Norway, Pakistan, Papua New Guinea, Peru, Philippines, Poland, Romania, Senegal, Singapore, Sri Lanka, Switzerland, Slovak Republic, South Africa, Thailand, Trinidad & Tobago, Tunisia, Turkey, United States and Venezuela.

Since the agreement was concluded among 69 countries in February 1997 (see WTO Press Release No: 67), two of these countries - Pakistan and Switzerland - have further improved their liberalization commitments, and three additional countries have agreed to open up their domestic markets in this sector - Barbados, Cyprus and Suriname.

On voice telephone service, 47 of the schedules (covering 61 governments) commit to competitive supply (defined here as permitting two or more suppliers). Most of the commitments permit the supply of public voice services, either immediate or phased-in, in at least one market segment: 41 schedules (55 governments) committed on local service, 37 schedules (51 governments) on domestic long distance, and 42 schedules (56 governments) on international service. Re-sale of public voice telephone is included in 28 schedules (42 governments) or more than 70 per cent of the 59 governments permitting a degree of competition in public voice service.

In commitments on other services: 49 schedules (63 governments) include commitments on data transmission services; 46 schedules (60 governments) grant access for cellular/mobile telephone markets; 41 schedules (55 governments) commit to competition in leased circuit services (the supply of transmission capacity); 45 schedules (59 governments) include commitments on other types of mobile services (such as PCs, mobile data or paging). For satellite-related communications, 37 schedules (51 governments) committed on some or all types of mobile satellite services or transport capacity and 36 schedules (50 governments) commit on fixed satellite services or transport capacity. In addition, 8 governments schedules some commitments on value-added telecommunications services (e.g. e-mail, on-line data processing or data base retrieval).