

WORLD TRADE ORGANIZATION

S/DCS/W/PNG
24 January 2003

(03-0494)

Trade in Services

Original: English

PAPUA NEW GUINEA

Draft consolidated Schedule of Specific Commitments¹

Attached is a draft consolidated version of the Schedule of Specific Commitments of Papua New Guinea in word format. This document does not substitute for the legally binding commitments undertaken by Papua New Guinea in its Schedule of Specific Commitments (GATS/SC/113; GATS/SC/113/Suppl.1)

The draft consolidated version of the Schedule was prepared by the Secretariat, at the request of Members, to facilitate the process of negotiations, including the presentation of initial offers.

¹ This document has been prepared, in English only, under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

PAPUA NEW GUINEA – SCHEDULE OF SPECIFIC COMMITMENTS

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>3) (a) Normal government approval and registration is required for all foreign investors by the Department of Finance and Planning. For such approval, the following criteria are, in general, applied:</p> <ul style="list-style-type: none"> (i) provision of new services; (ii) improvement of productive structure of the economy; (iii) viability of the new project especially with respect to foreign exchange earnings or savings; (iv) implications for employment in Papua New Guinea. <p>(b) Companies incorporated outside Papua New Guinea must register the name of the company with the Investment Promotion Authority in Papua New Guinea.</p> <p>(c) Foreign nationals and foreign-owned companies may not purchase land, but may lease from government or land-holding groups through the Department of Lands</p> <p>(d) Subject to certification by respective authority agencies</p> <p>(e) Financial Services Subject to normal Government regulations including approval from Bank of PNG.</p>	<p>3) Foreign employees are required to provide on-the-job training to local employees.</p>	

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound except for measures affecting the entry and temporary stay of natural persons in the following categories: <u>managers</u> and <u>specialists</u> who possess knowledge that is necessary for the provision of the service. Entry is limited to those of key importance and where employees are unavailable locally. Entry is limited to 3 years initially with any extension subject to Department of Labour and Employment requirements.	4) Unbound except as specified under market access.	
II. SECTOR-SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. <u>Professional Services</u>			
(a) Legal Services (CPC 861)	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	
(b) Accounting, auditing and bookkeeping services (CPC 862)	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	
(c) Architectural Services (CPC 8671)	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	

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(d) Engineering Services (CPC 8672)	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	
B. <u>Computer and Related Services</u>			
(a) Consultancy services related to installation of computer hardware	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. <u>Other Business Services</u>			
(a) Management consulting services (CPC 865)	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	
2. COMMUNICATION SERVICES			
B. <u>Courier Services</u> in respect of documents and parcels excluding letters and postcards (CPC 7512)			

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. Telecommunication Services			
(a) Voice telephone services (CPC 7521)	1) Only through the network of TELIKOM PNG Ltd.	1) None	Papua New Guinea subscribes to the regulatory principles annexed to this schedule.
(b) Packet-switched data Transmission services (CPC 7523**)	2) Alternative calling or call back are not allowed.	2) None	
(c) Circuit-switched data transmission services (CPC 7523**)	3) - All Telecommunication Services are subjected to a five year exclusivity (1997-2002) to TELIKOM PNG Ltd. as the monopoly service provider.	3) None	
(d) Telex services (CPC 7523**)	- The issuance of additional operating licenses and their terms and conditions will be considered and announced at least two years prior to the end of the exclusivity period.		
(e) Telegraph services (CPC 7522)	- Telkom PNG Ltd is designated as signatory to the INTELSAT Operating Agreement.		
(f) Facsimile services (CPC 7521**+ CPC 7529**)	- Under the Articles of Association and Memorandum of Articles of Telkom PNG Ltd, Telkom PNG Ltd reserves the right to set up subsidiary companies in business ventures on particular services of telecommunications		
(g) Private leased circuit services (CPC 7522**+ CPC 7523)			
(o) Others			
Digital Cellular services (CPC 75213*)	4) Unbound except as indicated in the horizontal section	4) Unbound except as indicated in the horizontal section	
Paging services (CPC 75291)			
Personal Communications services (CPC 75213*)			
Trunked Radio System services (CPC 7523**, CPC 75213*)			
Mobile Data Services (CPC 7523**)			

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. <u>General Construction Work for Buildings</u> (CPC 512)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound* 2) None 3) Subject to determinations in favour of national companies set by the ministries according to the National Executive Council or authority responsible for providing the Government regulations. This determination is based on Kina value of the construction, currently at K500,000, which is reviewed periodically subject to economic factors which would affect the cost of construction. 4) Unbound except as indicated in the horizontal section	
B. <u>General Construction Work for Civil Engineering</u> (CPC 513)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound* 2) None 3) Subject to determinations in favour of national companies set by the ministries according to the National Executive Council or authority responsible for providing the Government regulations. This determination is based on Kina value of the construction, currently at K500,000, which is reviewed periodically subject to economic factors which would affect the cost of construction. 4) Unbound except as indicated in the horizontal section	

* Unbound due to lack of technical feasibility.

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7. FINANCIAL SERVICES			
B. <u>Banking and Other Financial Services</u>			
(a) Acceptance of deposits and other repayable funds from the public (CPC 81115 - 81119)	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	
(b) Lending of all types, including <u>inter alia</u> , consumer credit, mortgage credit, factoring and financing of commercial transaction (CPC 8113)	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	
(c) Financial leasing (CPC 8112)	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	
(e) Guarantees and commitments (CPC 81199)	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) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:			

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- money market instruments (cheques, bills, certificate of deposits, etc.) (CPC 81339)	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	
- foreign exchange (CPC 81333)	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	
- transferable securities (CPC 81321)	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	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. <u>Hotel and Restaurants</u> (including catering) (CPC 641-643)			
Hotels	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	
Restaurants	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	

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
11. TRANSPORT SERVICES			
A. <u>Maritime Transport Services</u>			
(a) Passenger transportation (CPC 7211)	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	
(b) Freight transportation (CPC 7212)	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	

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

1. Competitive safeguards

1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required
