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Working Party of the Trade Committee

ASSESSING BARRIERS TO TRADE IN SERVICES

TOURISM SERVICES

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TABLE OF CONTENTS

INTRODUCTION AND OVERVIEW	4
I. DEFINITION	5
II. SCHEDULED COMMITMENTS TO THE TOURISM SECTOR AS DEFINED UNDER CHAPTER 9 OF W/120	6
A. Cross border supply (mode 1) and consumption abroad (mode 2)	7
B. Measures relating to establishment and investment	11
C. Measures relating to licences/authorisation	14
D. Economic needs tests	15
E. Measures relating to nationality/citizenship/residency	15
F. Barriers to the presence of natural persons (mode 4)	17
G. Other limitations listed in schedules	19
III. BARRIERS TO THE TOURISM SECTOR IDENTIFIED BY THE OECD TOURISM COMMITTEE	20
IV. BARRIERS TO THE AIR TRANSPORT SECTOR WHICH ARE RELEVANT TO THE PROVISION OF TOURISM SERVICES	21

Tables

Table 1. Restrictions in hotels and restaurants based on the schedules of commitments	25
Table 2. Restrictions in travel agencies and tour operators services based on the schedules of commitments	26
Table 3. Restrictions in tourist guides services based on the schedules of commitments.....	27
Table 4. Restrictions in other services related to travel and tourism services based on the schedules of commitments	28
Table 5. Restrictions in selling and marketing of air transport based on the schedules of commitments. 29	
Table 6. Restrictions in CRS services based on the schedules of commitments.....	30

Boxes

Box 1. The Internet and the Travel Industry	7
Box 2. Other limitations listed in GATS schedules, which do not fall under the other identified categories	20

ASSESSING BARRIERS TO TRADE IN SERVICES

TOURISM SERVICES

INTRODUCTION AND OVERVIEW

1. This paper presents a draft “inventory” of measures affecting trade in the travel and tourism sector. Its aim is to provide an indicative list of measures affecting trade in the sector rather than to describe the sector *per se*. It is the sixth sectoral inventory in the context of the Trade Committee’s project “Assessing Barriers to Trade in Services”. It is based on the GATS schedules of commitments and on the OECD Tourism Committee’s inventory of measures perceived as impediments to international tourism in the OECD area.¹

2. In terms of GATS schedules, the regime of the tourism sector is relatively liberal overall. As of September 1998, 112 WTO Members had made commitments in Tourism under the GATS. The level of commitments, greater than for any other sector, varies between sub-sectors: with the greatest number of commitments being made in Hotels and Restaurants (112 Members), followed by Travel Agencies and Tour Operators (89 countries), Tourist Guides services (54 countries) and other services (13 Members). Similarly, the level varies between modes of supply: “consumption abroad” being the most liberal, and “presence of natural persons” the most restrictive, for both market access and national treatment.

3. Assessing the actual impact of barriers, such as those related to licensing requirements or economic needs tests, is difficult, however, as it depends on the manner in which these requirements are implemented. Moreover, notwithstanding the relatively liberal regime in tourism itself, remaining barriers in sectors intrinsically related to tourism activities can hinder the liberalisation achieved so far.

4. The tourism sector is a particular area of interest for developing countries. The expansion of international tourism has made an important contribution to the development of many developing countries. And it is the only major services sector in which developing countries consistently have a payments surplus. Their positive balance in the travel account improved from US\$6 billion in 1980 to US\$62.2 billion in 1996. However despite the overall expansion of their exports, developing countries account for less than 30% of world tourism receipts.²

¹ OECD: Inventory of Measures Perceived as Impediments to International Tourism in the OECD Area, [DAFFE/TOU/WD(96)10/REV1].

² UNCTAD: International Trade in Tourism-related Services: Issues and Options for Developing countries, TD/B/COM.1/EM.6/2, 8 April 1998.

I. DEFINITION

5. “Tourism and Travel related services” make up chapter 9 of the *Services Sectoral Classification List* (W/120). Three of the four sub-classes, that is 9 (A), (B) and (C), correspond to descriptions in the *UN Provisional Central Product Classification*, on which W/120 was based:³

- 9(A) hotels and restaurants (including catering) (CPC 641-642);
- 9(B) travel agencies and tour operators services (CPC 7471); and
- 9(C) tourist guides services (CPC 7472).
- The fourth sub-class, 9(D) “other”, has no corresponding CPC reference.

6. In the Provisional CPC, the sub-classification for “hotels and restaurants (including catering)” is further disaggregated into three sub-classes: hotels and other lodging services,⁴ food serving services,⁵ and beverage serving services for consumption on the premises, with and without entertainment. “Travel agencies and tour operators services” covers travel information, advice and planning, organisation of tours and accommodation, passenger and baggage transportation, ticket insurance services, which are provided on a fee or contract basis. “Tourist guide services” covers those services provided by agencies and own-account guides, but does not include services by own-account hunting guides nor personal escort services.

7. As pointed out in a WTO Secretariat sectoral paper,⁶ the GATS W/120 definition of tourism services leaves aside many service activities that are regarded as integral to the tourism sector. And, as highlighted in a separate OECD Secretariat paper on “clusters”,⁷ some services intrinsically linked to the tourism sector are crucial for the provision of these services.

8. The World Tourism Organisation (WTO/OMT) is not satisfied with the current GATS definition of Tourism services and is pushing for a new definition that will include travel reservation services, air and other transportation services and other travel-related financial services. It is supported by major private sector organisations such as the World Travel and Tourism Council (WTTC). As a consequence, a consolidated definition of the tourism sector emerged from the International Conference on the Measurement of the Economic Impact of Tourism, which was held in Nice, in June 1999; this is reflected in the new Tourism Product Classification and in the Standard International Classification of Tourism Activities. Moreover, WTO/OMT, OECD and Eurostat jointly developed and approved a common conceptual framework for a Tourism Satellite Account (TSA)⁸. This methodology clarifies the definition of tourism and the roles it plays in the economy. The WTO/OMT also advocates the development of an Annex on Tourism to target the specificities of the sector, dealing with “the specific and heterogeneous

³ Subsequent to the use of the Provisional CPC in the development of the “W/120” classification during the Uruguay Round, a revised CPC (CPC Rev.1) has been adopted in the United Nations. The analysis here refers to the Provisional CPC as this is what is referenced in existing GATS specific commitments.

⁴ CPC 641 - this covers hotel, motel and other lodging services, such as children’s holiday camps, and centres, youth hostels, camping and caravan site services.

⁵ CPC 642 - this covers meal serving services in restaurants and self-service facilities, catering and other food serving services, such as those furnished by refreshment stands.

⁶ See WTO Secretariat, Council for Trade in Services, “Tourism and Travel-Related Services”, S/C/W/51.

⁷ “Using ‘Cluster’ Approaches to Specific Commitments for Interdependent Services” [TD/TC/WP(2000)9].

⁸ WTO/OMT, OECD, Eurostat Tourism Satellite Account (TSA): Methodological references, March 2000.

nature of tourism as a cluster”.⁹ A group of developing countries (Dominican Republic, El Salvador and Honduras) has submitted a proposal for a new GATS Annex on Tourism as part of the GATS negotiations.

9. Hence, for the purpose of this paper, the identification and analysis of the barriers in the tourism sector will also encompass some tourism-related activities, which are considered indispensable for the provision of the services. Tourism is regarded as highly dependent on air access, in particular in developing countries where it is the main means of transport used by arriving tourists. Of particular relevance are Computer Reservation Systems (CRS) and Global Distribution Systems (GDS). Indeed, GDS owned by large air transport companies have become the main marketing and trading tool of international tourism as well as a major source of income for the carriers which own them.¹⁰ While the main function of a GDS is as a distribution channel for airlines, they are increasingly offering additional services and provide car rental, hotels, rail services, ferry and cruise services, package tours, and a range of leisure products.

10. CRS and GDS are increasingly interacting with the Internet. Airline and other ticket sales through the Internet are predicted to rise from US\$800 million in 1997 to US\$8.9 billion by 2002.¹¹ For many suppliers, tourism-marketing efforts are focused on Internet users. For example, in January 2000 Amadeus announced the launch of Amadeus Pro Web – a browser-based reservation tool allowing travel agents to service their customers worldwide, eliminating the need for dedicated communications lines. Home office or regional agencies looking for maximum flexibility and optimum productivity can make air, car and hotel bookings from any location, 24 hours a day, at a greatly reduced cost.

11. A joint web initiative launched by major American companies (Northwest, Continental, American and US Air with 21 other airlines), in January 2000, aims at setting up an Internet travel service that will also allow customers to book tickets, hotel rooms, car rental and tours. This American initiative was followed by a similar European project called “Online Travel Portal”, involving ten of the largest airlines (including British Airways, Air France, Lufthansa, KLM and Swissair).

12. This increasing role of CRS and GDS for travel agencies and tourism services in general has been underlined by the WTO Sectoral Paper, which also draws attention to the classification adopted in 1991 in W/120 for CRS and GDS services which indicates their importance for more than the air transport sector.

II. SCHEDULED COMMITMENTS TO THE TOURISM SECTOR AS DEFINED UNDER CHAPTER 9 OF W/120

13. According to the WTO, the high level of commitments in the tourism sector indicates the desire of most Members to expand their tourism sectors and to increase inward FDI as part of efforts to promote economic growth.

14. The main categories of measures that have been identified for the purpose of this paper, based on the specific schedules of commitments are: (A) barriers to mode 1 and 2 (cross-border supply and consumption abroad); (B) measures relating to establishment and investment; (C) measures relating to licences and authorisations; (D) economic needs tests; (E) measures relating to nationality/residency requirements; (F) barriers to the presence of natural persons; and (G) other limitations listed in schedules.

⁹ WTO/OMT: Tourism Negotiations under the GATS, Geneva, July 1999.

¹⁰ UNCTAD: “International Trade in Tourism-related Services: Issues and Options for Developing countries”, TD/B/COM.1/EM.6/2, 8 April 1998.

¹¹ WTO sectoral paper on air transport services.

When the restrictions described in the schedules have different aspects, they have been listed in this inventory under two or more headings. They can thus appear several times in this inventory.

15. Of all WTO Members making commitments, only Mexico has taken MFN exemptions in the tourism sector. The first exemption relates to the supply of road transport for tourism (passenger) services by foreign suppliers into and across the territory of Mexico, which is limited to vehicles registered in the countries indicated. The second exemption relates to tax deductions for individuals attending business conventions in the territories of the parties.

A. Cross border supply (mode 1) and consumption abroad (mode 2)

16. As stated above, the regime of the tourism sector - as reflected in GATS schedules - is relatively liberal, but trade barriers remain in place, both in tourist-receiving and tourist-generating countries. The schedules reflect a broad coverage of mode 1, the main restriction being the absence of bindings due to a perceived lack of feasibility. However, the development of the Internet and of e-commerce has brought this into question, as these tools are increasingly used for online bookings, enquiries and marketing.

**Box 1.
The Internet and the Travel Industry**

The Internet has had a significant impact on the travel industry. The convenience of the Internet and its 24-hour accessibility offer travellers flexible options for researching, planning or booking travel products. According to the Travel Industry Association of America there are 52.2 million people who use the Internet to plan travel and 16.5 million who book travel online. It also reports that the number of online travellers has grown 190% from 29 million in 1996 to 85 million in 1999. 3% of travel is currently booked online, but this figure is predicted to grow to 89% by 2001.

Travel e-commerce is expected to reach US\$20 billion by 2001, a seven-fold increase over US\$2.5 billion in 1998 (according to Internet travel research released by PhoCusWright).¹² Online travel agencies comprise 52% of the market, and sales will reach \$10.6 billion in 2001, up 194% from \$3.6 billion in 1999. The top five online agencies were not travel agencies pre-Internet. The other 48% is represented by supplier branded sites (air, car, hotel, vacation/tour/cruise) (of which air sites, 33%, hotel sites, 9%, car rental sites, 5% and vacation/tour/cruise sites, 1%).

Internet hotel sales will more than double to US\$1.1 billion in 1999 and reach almost US\$40 billion by 2001 (and representing 5.5% of all hotel bookings).¹³ Airline tickets represented 73% of all online travel bookings in 1999. However, by 2001, airlines' share will fall to 63% as the vacation/tour/cruise market emerges.¹⁴ In addition, the Internet has also enabled the development of "virtual tourism", with a number of museums,¹⁵ buildings¹⁶ and cities¹⁷ accessible online.

¹² Travel e-commerce could reach \$20 billion by 2001, 10 May 1999, www.webtravelnews.com/187.htm

¹³ Internet hotel sales to hit almost US\$4 billion by 2001, 3 May, 1999, www.webtravelnews.com/181.htm

¹⁴ PhoCusWright reports 3% of travel now booked online, 15 December 1999, www.webtravelnews.com/449.htm

¹⁵ Le Louvre (www.louvre.fr), Museum of Modern Art (<http://www.moma.org/>)

¹⁶ Tower of London (www.toweroflondontour.com)

¹⁷ Paris (www.smartweb.fr/fr/paris/indexseine.html), Vancouver (www.virtual360.com)

17. Other restrictions relating to mode 1 are the requirement of establishment/commercial presence in the country (in particular for tour operators),¹⁸ the requirement of residency and the prohibition on foreign travel agencies organising tours abroad.

18. Mode 2 is essential for the provision of tourism related activities, as, unlike most other services, the supply of tourism services is characterised primarily by the cross-border movement of consumers. Under mode 2, the regime of the tourism sector is particularly liberal. This mode is not usually affected by any kind of restriction on services provision. Only India has not bound the sector under this mode of supply. The other existing restriction concerns the requirement under Turkey's schedule of a US\$100 payment for each departure.¹⁹

Mode 1 - No Restrictions

Hotels and restaurants

Argentina, Canada Hungary, Finland, Iceland, Indonesia, Morocco (hotels), New Zealand, Norway, Singapore (except national treatment for hotels), South Africa (national treatment), Sweden (national treatment), Turkey (national treatment) and US.

Travel agencies and tour operators

Argentina, Australia (only national treatment) Austria, EC, Canada (except Quebec and Ontario), Finland, Hungary (market access only), Iceland, Indonesia, Japan, Korea, New Zealand, Norway, Poland, South Africa, Sweden (national treatment only), Switzerland, Singapore (market access), US.

Tourist guides

Argentina, Australia, Finland, Iceland, Korea, New Zealand, Norway, Sweden, US.

Other

Argentina, US, Egypt (tourism management services, tourism training institutions, tourism related conventions, institutional food service caterers).

¹⁸ These restrictions relating to the requirement of an establishment/commercial presence also appear further in this document under a heading concerning specifically the requirement of a commercial presence to provide a service.

¹⁹ This inventory is based on the schedules of commitments established at the end of the Uruguay Round. In the case of Turkey the legislation has changed since 1995 and the payment for each departure was abolished.

Mode 1 - Unbound

Hotels and restaurants

Brazil, Singapore, South Africa (market access only -except for catering-), Thailand, Turkey (market access only), Hong Kong, China, Philippines (market access).

Travel agencies and tour operators

Czech Republic, Egypt, Hong Kong, China, Hungary, India, Mexico, Thailand, Singapore (national treatment), Slovak Republic.

Tourist guides

Chile, EC (only Italy and Portugal for market access), Mexico, Morocco.

Other

Morocco, Thailand (hotel management services).

Mode 1 - Unbound Due to the Lack of Feasibility

Hotels and restaurants

Austria, Australia, Chile, Czech Republic, EC (except for catering), Egypt, India, Japan (except for catering), Malaysia, Mexico, Morocco (restaurants), Korea, Philippines (national treatment), Poland, Singapore (hotels - market access), Sweden (only market access - except for catering) Switzerland (except for catering), Slovak Republic, Turkey.

Travel agencies and tour operators

Chile, Malaysia.

Tourist guides

Austria, Czech Republic, Japan, South Africa, Switzerland, Chile, Slovak Republic.

Other

Switzerland.

Mode 1 - Other Restrictions

Travel agencies and tour operators

Commercial presence or establishment required: Australia (market access), Canada - Quebec and Ontario (market access), Morocco (market access), Sweden (market access), Turkey (market access).

Residency requirement: Canada (Quebec and Ontario - national treatment), Philippines (market access), Poland.

Foreign travel agencies may not organise tours abroad: Turkey (national treatment).

Mode 2 - No Restrictions

Hotels and restaurants

Argentina, Australia, Austria, Canada, Chile, Czech Republic, Egypt, EC, Finland, Hungary, Hong Kong, China, Iceland, Indonesia, Japan, Korea, Malaysia, Mexico, Morocco, New Zealand, Norway, Philippines, Poland, Singapore, Sweden Switzerland, Slovak Republic, South Africa, Thailand, Turkey (national treatment), USA.

Travel agencies and tour operators

Argentina, Australia, Austria, Canada, Chile, Czech Republic, Egypt, EC, Finland, Hungary, Hong Kong, China, Iceland, Indonesia, Japan, Korea, Malaysia, Mexico, Morocco, New Zealand, Norway, Philippines, Poland, Singapore, Sweden Switzerland, Slovak Republic, South Africa, Thailand, Turkey, USA.

Tourist guides

Argentina, Australia, Austria, Chile, Czech Republic, EC, Finland, Iceland, Japan, Korea, Mexico, Morocco, New Zealand, Norway, Poland, Singapore, Sweden Switzerland, Slovak Republic, South Africa, USA.

Other

Egypt (tourism management services, tourism transport services, tourism training institutions, tourism related conventions, institutional food service caterers), Morocco, Philippines (professional congress organisers), Thailand (Hotel Management services), USA.

Mode 2 - Unbound

Hotels and restaurants, agencies and tour operators

India.

Mode 2 - Other Restrictions

Hotels and restaurants

Turkey (Turkish citizens are required to pay, with certain exceptions a TL (Turkish Lira) amount equivalent to US\$100 to the Public House Fund, for each departure.²⁰

All sub-sectors

Chile: purchase of foreign exchange by Chilean nationals wishing to procure tourist services under mode 2 is subject to foreign exchange control measures.

B. Measures relating to establishment and investment

Establishment/commercial presence requirement

19. Commercial presence is required in some schedules for the provision of services. This restriction applies mainly to mode 1, but is also present for other modes of supply. This condition sometimes applies in addition to the requirement that the service provider must be a company established in his home jurisdiction as well as incorporating locally.

Requirement of a commercial presence/establishment to provide the service

Hotels and restaurants

Switzerland: commercial presence required (mode 4 market access - and national treatment).

Travel agencies and tour operators

Australia: commercial presence required (mode 1 - market access);

Canada: Ontario (travel agencies and travel wholesalers) services must be supplied through a commercial presence (mode 1 market access);

²⁰ This inventory is based on the schedules of commitments established at the end of the Uruguay Round, in the case of Turkey the legislation has changed since 1995 and the payment for each departure was abolished.

Canada: Quebec (Travel agencies) services must be supplied through a commercial presence (mode 1 market access);

Philippines: commercial presence required (mode 1 - market access);

Poland: travel agencies and tour operators commercial presence required for mode 1 and 2 (market access and national treatment);

Sweden: establishment required (mode 1 and 3 - market access);

Turkey: establishment required (mode 1 - market access).

Tourist guides

Switzerland: commercial presence may be required in some cantons (mode 4).

Establishment applying in addition to other conditions

Travel agencies and tour operators

EC - Belgium: authorisation for non EC incorporated companies to act as travel agent is possible only if the company has a permanent base in Belgium and if the person directing the daily operation (or the person asking for the authorisation) is an EC national (mode 3 - market access).

EC - Portugal: requirement of constitution of a commercial company having its corporate base in Portugal.

Indonesia: tour operator must be travel agent located in Jakarta and Bali (mode 3 - national treatment).

Malaysia: only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian controlled corporations or both. Aggregate foreign shareholding in the Joint venture shall not exceed 30%. Establishment of another office requires additional licence. (mode 3 - market access).

Morocco: agencies established outside Morocco must work through a Moroccan travel agency or a foreign agency established in Morocco (mode 1 - Market access).

Equity limitations

20. Commercial presence can be subject to equity limitations ranging from 40 to 100%. This restriction, used in developing countries' schedules sometimes applies in addition to the requirement of local incorporation.

(i) Foreign capital limitation

Hotels and restaurants

Egypt: foreign capital equity should not exceed 49% in project to be established in Sinai (mode 3 - market access).

Indonesia: in Eastern part of Indonesia, Kalimantan, Bengkulu, Jambi and Sulawesi, 100% of capital share can be owned by foreign investor (mode 3 - market access).

Mexico: foreign investment up to 100% of the registered capital of enterprises for hotels, 49% for restaurants (except canteens 100%) (mode 3 - market access).

Philippines (tourism accommodation facilities): subject to foreign equity limitation of 40% for pension house, tourist inn and apartel (mode 3 - market access).

Philippines: no foreign equity is allowed if the speciality restaurant is not part of the facilities of a hotel (mode 3 - market access).

Philippines: for professional congress organisers foreign equity limited to 40% (mode 3 - market access).

Thailand: foreign participation shall not exceed 49% (mode 3 - national treatment).

Travel agencies and tour operator

Mexico: foreign investment up to 100% of the registered capital of enterprises (mode 3 - market access)

Philippines: foreign equity limited to 40% (mode 3 - market access).

Thailand: foreign participation shall not exceed 49% (mode 3 - national treatment).

Tourist guide services

Mexico: foreign investment up to 100% of the registered capital of enterprises (mode 3 - market access).

Other

Thailand (hotel management): foreign participation shall not exceed 49% (mode 3 - national treatment).

(ii) Foreign capital limitation applying in addition to incorporation

Hotels and restaurants

India: only through incorporation with a foreign equity ceiling of 51% (mode 3 - market access).

Malaysia: only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian controlled corporations or both. Aggregate foreign shareholding in the Joint venture shall not exceed 30%. Establishment of another office requires additional licence (mode 3 - market access).

Travel agency and tour operators

India: only through incorporation with a foreign equity ceiling of 51% (mode 3 - market access).

C. Measures relating to licences/authorisation

21. Licensing/authorisation or permission can be a preliminary requirement for the supply of services. An assessment of the level of limitation for this type of barrier is difficult, as it relies on the conditions for the granting of a licence/authorisation. These can apply on a discretionary basis (when they are based on an economic needs test); they can also depend on other conditions (residency, citizenship, local incorporation, etc.).

Hotels and restaurants

Egypt: a licence will be given according to the requirement of economic needs tests (main criteria: market needs and locating different categories of hotels).

Switzerland: federal law enables cantons to grant licence for restaurants based on economic needs (mode 3 - market access).

Iceland: condition of licenses is one year previous residency (mode 3 and 4 – national treatment).

Canada - Nova Scotia: new licences require a majority approval in a public vote (mode 3 - market access).

EC (Spain, Greece, Portugal): authorisation can be denied in order to protect areas of particular historic and artistic interest (mode 3 - market access).

Mexico: it is necessary to hold a licence issued by the Ministry of Tourism and a permit to engage in the activity from the competent authority (mode 3 - market access).

Travel agencies and tour operators services

EC - Belgium: authorisation for non EC incorporated companies to act as travel agents is possible only if the company has a permanent base in Belgium and if the person directing the daily operation (or the person asking for the authorisation is an EC national (mode 3 - market access).

Finland: licence of the National Consumer Administration is required. Licence may be granted only to Finnish citizens and Finnish registered organisations. (mode 3 and 4 - market access).

Iceland: condition of licences is one year previous residency (mode 3 and 4 - national treatment).

Mexico: it is necessary to hold a licence issued by the Ministry of Tourism and a permit to engage in the activity from the competent authority (mode 3 - market access).

Morocco: licence required (mode 3 - market access).

Tourist guide services

Iceland: the right to exercise the profession is reserved for resident authorised tourist guides. Foreign resident guides may be granted a temporary licence on an ad hoc basis. (mode 4 - national treatment).

Mexico: it is necessary to hold a licence issued by the Ministry of Tourism and a permit to engage in the activity from the competent authority (mode 3 - market access).

D. Economic needs tests

22. As already indicated, in a number of schedules, an economic needs test is required to open a bar or a restaurant, or for services activities related to travel agencies and tour operators. Economic needs tests apply predominantly in mode 3. This restriction can apply alone, or be among the criteria for the granting of a licence. The conditions for its application are sometimes specified, but in most cases the application of economic needs tests lacks transparency.

Hotels and restaurants

Egypt: a licence is granted according to economic needs test (mode 3 - market access).

EC - Italy: local economic needs test on opening of new bars, cafes and restaurants, authorisation can be denied in order to protect areas of particular historic and artistic interest. (mode 3 - market access).

Switzerland: federal Law enables cantons to grant a licence for restaurants based on economic needs (assessment of economic needs is based on criteria such as population, degree of built-up area, type of neighbourhood, touristic interest, number of existing restaurants (mode 3 - market access).

Travel agencies and tour operators

Egypt: limitation on the total number of services operations on the requirement of an economic needs test (mode 3 - market access).

EC - Italy: economic needs test (mode 3 - market access).

Czech Republic: economic needs test based on population criterion (mode 3 - market access).

Other tourism services

Egypt: (tourism - management services) bound only for representative offices and limitation on the total number of services operations depend on the requirement of economic needs test (mode 3 - market access).

Egypt (tourism - transport Services): the addition to the inland water passenger and /or physical tours is subject to the physical capacity of the Nile River (mode 3 - market access).

E. Measures relating to nationality/citizenship/residency

23. This requirement sometimes applies as a condition for the granting of a licence. It constitutes a major limitation for tourist guides.

(i) Nationality/citizenship/residency requirement

Hotels and restaurants

Brazil: tax credit incentives granted to certain regions, limited to firm with majority of capital held by Brazilian citizens or legal entity (mode 3 - national treatment).

Canada - Quebec: for juridical persons not listed on a Canadian stock exchange, all shareholders owning 10% or more of voting shares must be Canadian citizens or permanent resident (mode 3 - market access).

Canada - Ontario: the majority of the board of directors must be Canadian citizens or landed immigrants and ordinarily resident in Ontario (mode 3 - national treatment).

Canada - Saskatchewan: the majority of shareholders must be Canadian and manager must be a Canadian citizen or permanent resident (mode 3 - market access).

Canada - Newfoundland, Nova Scotia and Alberta: agents or managers must be Canadian citizens, resident in the province (mode 3 - national treatment).

Canada - Quebec (sale of liquor in restaurant and tavern): requirement for residency and citizenship (mode 4 - market access).

Canada - Alberta, Saskatchewan and Ontario: requirement for citizenship and residency (mode 4 - market access).

Canada - Manitoba: requirement for citizenship and residency (mode 4 - market access).

EC - France: nationality requirement for cafés and bars (mode 4).

Travel agencies and tour operators services

Canada - Quebec (travel agents, travel counsellors), Ontario (travel agents and wholesalers): residency requirement (mode 1 and 4 - national treatment).

Canada - British Columbia: at least one of the partners in a partnership or one of the directors of a corporation must be ordinarily resident in the province (mode 3 – national treatment).

Tourist guides services

EC - Spain, Italy: the right to exercise the profession is reserved for the local organisation of tourist guides (mode 4).

EC - Greece, Spain, France, Italy, Portugal: access to the activity is limited to condition of nationality (mode 4).

Morocco: Moroccan nationality required but groups may be accompanied by tour leaders.

Switzerland (tourist guide or ski instructor): examination required and cantons may restrict the ability of foreign mountain guides and ski instructors to practice independently, residency in some cantons may be required (mode 3 and 4 - national treatment).

(ii) Nationality/citizenship/residency requirement applying as a condition for a licence/authorisation

Hotels and restaurants

Canada - Nova Scotia: licences for the sale of alcoholic beverages will be granted only to Canadian citizens (mode 4 - market access).

Switzerland: residency of licence holder in same canton may be required in some cantons, passing an examination in some cantons may be required (mode 3 - national treatment).

Iceland: condition of licenses is one year previous residency (mode 3 and 4 - national treatment).

Travel agencies and tour operators

EC - Finland: licence of the National Consumer Administration is required. Licence may be granted only to Finnish citizens and Finnish register organisations (mode 3 and 4 - market access).

EC - Belgium: authorisation for non EC incorporated companies to act as travel agent is possible only if the company has a permanent base in Belgium and if the person directing the daily operation (or the person asking for the authorisation is a EC national (mode 3 - market access).

Iceland: condition of licenses is one-year previous residency (mode 3 and 4 - national treatment).

Tourist guides services

Iceland: the right to exercise the profession is reserved for resident authorised tourist guides. Foreign resident guides may be granted a temporary licence on an ad hoc basis. (mode 4 - national treatment).

F. Barriers to the presence of natural persons (mode 4)

24. Mode 4 is not usually bound, however some WTO Members have placed no restrictions to this mode of supply. This is the case for:

Hotels and restaurants

Egypt, Finland (National Treatment), Philippines (National Treatment), Philippines (National Treatment), Poland (National Treatment), Thailand (National Treatment), Turkey (National Treatment).

Travel Agencies and tour operators

Egypt, Finland (National Treatment), Philippines (National Treatment), Poland (National Treatment), Switzerland (National Treatment), Thailand (National Treatment), Turkey.

Tourist guides

Finland (National Treatment), US (National Treatment).

Others

Turkey (National Treatment), US (National Treatment).

Some restrictions have been listed:

Hotels and restaurants

Commercial presence required

Switzerland.

Nationality/citizenship/Residency requirement

EC - France: nationality requirement for cafés and bars (market access).

Canada: Quebec (Sale of liquor in a restaurant and tavern) residency and citizenship required (market access), Alberta, Saskatchewan and Ontario (Sale of alcoholic beverages): permanent residency requirement (market access), Manitoba: citizenship and residency requirement (market access), Nova Scotia (only Canadian citizens are granted Licences for the sale of alcoholic beverages - market access).

Iceland: (condition of licenses is one-year previous residency - national treatment).

Philippines: (citizenship requirement - market access).

Switzerland: residency of licence holder in same canton may be required in some cantons (national treatment).

Other restrictions

Turkey: after receiving the permission of the Ministry of Interior based on the affirmative opinion of the Ministry of Tourism, the hotels and restaurants with the tourism encouragement certificate, may employ foreign personnel. But the amount of foreign personnel that would be employed in an enterprise should not exceed 10% of the total personnel. This amount could be increased up to 20% by the decision of the related Ministry - market access).

Travel agencies and tour operators

Residency Requirement: Canada - Quebec (travel agent natural persons, and travel counsellor); Ontario (travel agents and wholesalers - natural persons).

Philippines: (residency required for Managers and executives - market access).

Other: EC - Greece: access limited to two persons per entity (market access).

Tourist guides

Nationality/citizenship/residency requirement

EC - Spain, Italy: the right to exercise the profession is reserved for the local organisations of tourist guides (market access).

EC - Greece, Spain, France, Italy, Portugal: access to the activity is subject to condition of nationality.

Iceland: the right to exercise the profession is reserved for resident authorised tourist guides. Foreign resident guides may be granted temporary license on ad hoc basis (national treatment).

Other restrictions

Switzerland: in some cantons commercial presence may be required (market access), Switzerland: in order to work as a mountain guide or ski instructor, passing of an examination is required; cantons may restrict access to such exams for foreigners and may restrict the ability of foreign mountain guides, and ski instructors, to practise independently; in some cantons commercial presence may be required (national treatment).

G. *Other limitations listed in schedules*

25. Box 2 lists a number of other limitations which appear in GATS schedules and which do not fall under any of the categories listed above.

Box 2.

Other limitations listed in GATS schedules, which do not fall under the other identified categories

Hotels and Restaurants

Canada – Ontario: purchase of recreational property, non-residents are required to pay a 20% land transfer tax (mode 3 – national treatment)

Canada – Quebec: market access is limited to a federally incorporated entity (mode 3 –market access)

Egypt: Casino services can be provided only through five starred hotels (mode 3)

Indonesia: Only 3, 4, 5 starred hotels are permitted (national treatment – mode 3)

Egypt: training of Egyptian employees should only be performed by the foreign national persons within the terms of the contract (mode 3 – national treatment)

Indonesia (Tourist resorts): higher paid-up capital is required of foreign service suppliers than of domestic suppliers. This measure will be eliminated in 2020 (mode 3 – national treatment)

Malaysia: Entry permitted only for the purposes of services contract awarded in Malaysia and implemented through a branch (mode 3 – market access)

Travel agencies and tour operators

Egypt: training of Egyptian employees should only be performed by the foreign national persons within the terms of the contract (mode 3 – national treatment)

Iceland: deposits or liability insurance to cover loss caused to clients (mode 3 and 4 – market access)

Indonesia: maximum service providers 30 Travel agencies and tour operators (mode 3 – market access)

Singapore: travel agency and tour operators must be a private limited company (mode 3 –market access)

USA: official tourism offices with diplomatic or official status are not permitted to operate on a commercial basis in the US or to act as agents or principals in commercial transaction (mode 3 – market access)

Tourist guides

Korea: only travel agencies are allowed to supply tourist guide services

USA: tour guides services, the number of concessions available for commercial operation in Federal State and facilities is limited.

Other services

Tourism Management services

Egypt: training of Egyptian employees should only be performed by the foreign national persons within the terms of the contract (mode 3 – national treatment)

All travel and tourism related services

III. BARRIERS TO THE TOURISM SECTOR IDENTIFIED BY THE OECD TOURISM COMMITTEE

26. In addition to the restrictions listed in the GATS schedules of commitments, the OECD Tourism Committee has identified measures, which constitute restrictions to services provision in the tourism sector applying in OECD countries. This report underlined the general openness of OECD countries towards tourism activities. The main restrictions listed in the report relate to monetary controls applied to transfers of funds, administrative formalities and fiscal charges, in particular airport taxes.

27. **The currency allowances and means of payment restrictions** described in this report can consist of *declaration, registration or notification requirements*. For example, in Australia, there are no limitations to the amount of money that can be brought in, but any cash amount exceeding \$A5 000 must be declared; in the Czech Republic: the import/export of any sum over 200 000 CKR must be registered with customs. Other restrictions apply to *foreign exchange*. For example, in Norway all foreign exchange transactions, including the transfer of capital for direct investment purposes, must be reported to the Norges Bank. Also, the report listed restrictions regarding the *limitation on the amount that can be taken abroad*. For example, in Japan the export of domestic bank notes is limited to 5 million yen per person per journey.

28. **Administrative formalities** were reviewed usually consisted of visa requirements. In some countries, some additional formalities applied. For example in France, non EC nationals may be required to have a number of documents (such as a return ticket), for a visit not exceeding six months.

29. Finally, **fiscal charges** in the air transport sector apply in a number of OECD countries, these taxes are sometimes included in the price of the airline tickets. For example, in Australia departing passengers are required to pay a \$A27 Passenger Movement Charge, collected by the airlines and included in the price of the airline ticket. An airport tax applies in Austria, Germany and Italy.

IV. BARRIERS TO THE AIR TRANSPORT SECTOR WHICH ARE RELEVANT TO THE PROVISION OF TOURISM SERVICES

30. Given that air transport plays a crucial role in the provision of tourism services, barriers affecting this sector are considered for the purposes of this paper. The services identified under paragraph 6 of the Air Transport Annex relate to: aircraft maintenance and repair,²¹ computer reservation systems²² services and selling and marketing of the air transport service.²³ Only the commitments undertaken for CRS and selling and marketing of air transport services will be analysed here, as they are most relevant to tourism activities.

31. The regime for the air transport sector, as covered by the Air Transport Annex, is relatively liberal. However, traffic rights fall outside of the scope of the GATS. Some organisations, such as the World Travel and Tourism Council, consider that the development of tourism is somewhat hindered by “protectionist aviation policies” that limit the provision of international flights on a reciprocal basis and prevent permitted international carriers from providing their services inside the domestic market to which they provide international flights. In particular, the Council claims that bilateral agreements in international air transport can be detrimental to the tourism industry because of the consequent restrictions on market access and competition in air transport services in the interests of protecting the domestic industry. As a

²¹ Aircraft maintenance and repair services are defined as: “such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so called line maintenance”.

²² Computer reservation system services are defined as “services provided by computerised systems that contain information about carriers’ schedules, availability fares and fare rules, for which reservations can be made or tickets may be issued.

²³ Selling and marketing of the air transport service are defined as opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of market research advertising and distribution. These activities do not include the pricing of air transport services nor the applicable conditions.

result, the Council maintains that the costs of flights to many destinations remain high, discouraging potential tourists from embarking on the travel and tourism “chain” in such countries.²⁴

32. However, it is difficult to assess whether the problem for developing countries results from what some organisations call restrictive practices or from the lack of viable commercial markets for the airline at those destinations. There are also divided opinions as to whether the practices governing bilateral regimes are restrictive in nature. Further study would be needed to determine this. The objective of this paper when considering air transport services is not to include hard rights in the scope of the GATS, but to show the link between the air transport sector and the tourism sector. The liberalisation of the air transport sector as such is therefore only envisaged here as it relates to soft rights. Similarly, it should be noted that air transport goes beyond tourism (e.g. business travel).

33. Ongoing work in the OECD is currently considering the experience of interconnection between air services liberalisation and tourism in Member countries, based on an Australian paper.²⁵

34. As of November 1998, 45 WTO Members had made commitments on aircraft repair and maintenance, which is considered by the WTO Secretariat as unusually high for a transport activity. Thirty-three members had made commitments in the selling and marketing of air transport services; the commitments reflect a rather liberal regime. Overall 39 Members have made commitments on CRS services, which is considered a high figure for a transport activity.

35. Amongst the GATS schedules reviewed, seven do not cover air transport services, as defined above: Argentina, Brazil, India, Indonesia, Malaysia, Singapore and Mexico (the latter covering only airport and helicopter administration services).

Selling and marketing of air transport services

Mode 1

No restriction: Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland (market access only), Japan Morocco, New Zealand (national treatment), Philippines (only national treatment), Turkey

Unbound: Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland (for distribution of air services provided by CRS parent carrier – national treatment), New Zealand (for market access in the sales and marketing of air transport services in respect of certain agricultural products), Slovak Republic, Thailand

Unbound due to the lack of feasibility: Chile, Czech Republic, Korea

Other restriction: Commercial presence required: Philippines (market access for general sales and cargo sale agency), Turkey (market access)

²⁴ World Tourism Organisation, *Seminar on GATS Implications for Tourism*, 1995, quoted in S/C/W/51.

²⁵ Draft OECD Project Proposal – Air Services Liberalisation and Tourism, DSTI/DOT/TOU(99)7. See also Using ‘Cluster’ Approaches to Specific Commitments for Interdependent Services, TD/TC/WP(2000)9.

Mode 2

No restriction: Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland Japan, Korea, Morocco, New Zealand (national treatment), Philippines, Slovak Republic, Turkey.

Unbound: Chile, New Zealand (for market access in the sales and marketing of air transport services in respect of certain agricultural products), Thailand.

Mode 3

No restriction: Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland (market access) Chile, Japan (market access), Korea, Morocco New Zealand (national treatment), Philippines, Turkey.

Unbound: Austria, EC, Finland, Iceland, Norway Sweden and Switzerland (for distribution of air services provided by CRS parent carrier – national treatment), Czech Republic, New Zealand (for market access in the sales and marketing of air transport services in respect of certain agricultural products), Slovak Republic.

Other restrictions: Japan (cross reference to horizontal restriction (for national treatment), Thailand cross-reference to horizontal restriction and distribution through CRS allowed only for airlines offices, uses of public network mandatory (market access), reciprocity (national treatment).

Other restrictions: Distribution through CRS is allowed only for airlines offices and one General Sales Agent office, services providers must use Thai public telecommunication network under national telecommunication authorities (Thailand – market access).

Mode 4

No restriction: Finland (national treatment), Iceland (national treatment), Philippines, Turkey.

Computer Reservation System Services

Mode 1

No restriction: Australia, Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland (market access), Canada (market access), Chile, Hungary, Japan, Korea (market access only), Morocco, New Zealand, Turkey.

Unbound: Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland (for obligation of parent or participating carriers in respect of a CRS controlled by an air carrier of third countries (national treatment), Czech Republic, Slovak Republic.

Other restriction: Korea: market access: through switched network only.

Mode 2

No restriction: Australia, Austria, EC Canada (market access), Czech Republic, Finland, Iceland, Norway, Sweden and Switzerland, Hungary, Japan, Korea, Morocco, New Zealand, Slovak Republic, Turkey.

Unbound: Canada (national treatment), Chile.

Mode 3

No restriction: Australia, Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland (market access), Chile, Hungary, Japan (market access), Korea, Morocco, New Zealand, Turkey.

Unbound: Austria, EC, Finland, Iceland, Norway, Sweden and Switzerland (for obligation of parent or participating carriers in respect of a CRS controlled by an air carrier of third countries - national treatment), Czech Republic, Slovak Republic.

Other restrictions: Japan: cross-reference to horizontal restriction (national treatment).

Mode 4

No restriction: Egypt, Finland (national treatment), Iceland (national treatment), Turkey (national treatment).

Other sub-sectors

Auxiliary air transport services, issue and sales of air transport and ground operation of support equipment: Chile, mode 1 unbound due to the lack of feasibility, mode 2 unbound.

Leasing/rental of aircraft without crew: (Philippines: market access lease contract is subject to approval by the civil aeronautics board).

36. A number of MFN exemptions apply to the air transport sector. Among the schedules reviewed, one (Turkey) covers all transport services. Another (Korea) only permits access to foreign CRS through the SITA network, for domestic travel agencies which want to access CRS designated from the country benefiting from the exemption (i.e. US). Others cover CRS and selling and marketing and aim at securing reciprocal treatment to a particular CRS system or to air carriers using it (Austria, Finland, Slovenia, Canada, EC, Iceland, Norway, Poland, Sweden, Switzerland, Singapore, US). Thailand's exemption covers countries whose CRS operators are in the Amadeus System and intend to bring in and install the system to any travel agencies in Thailand.

Table 1. Restrictions in hotels and restaurants based on the schedules of commitments

	Mode 1		Mode 2		Mode 3		Mode 4	
	MA	NT	MA	NT	MA	NT		NT
Argentina	None	None	None	None	None	None	UB	UB
Australia	UB*	UB*	None	None	None	None	UB	UB
Austria	UB*	UB*	None	None	None	None	UB	UB
Brazil	UB	UB	UB	UB	None	X	UB	UB
Canada	None	None	None	None	L/N/R	N/R/X	UB/N/R	UB
Chile	UB*	UB*	X	X	None	None	UB	UB
Czech Rep.	UB*	UB*	None	None	None	None	UB	UB
EC	UB*	UB*	None	None	None/A/ ETN	None	UB/N	UB
Egypt	UB*	UB*	None	None	L/ENT/ Eq/X	X	None	None
Finland	None	None	None	None	None	None	UB	None
Hong Kong, China	UB	UB	None	UB	None	None	UB	UB
Hungary	None	None	None	None	None	None	UB	UB
Iceland	None	None	None	None	None	L/R	None	L/R
India	UB*	UB*	UB	UB	Eq	None	UB	UB
Indonesia	None	None	None	None	None/Eq	X	UB	UB
Japan	UB*	UB*	None	None	None	X	UB	UB
Korea	UB-	UB*	None	None	None	None	UB	UB
Malaysia	UB*	UB*	None	None	Eq/JV	None	UB	UB
Mexico	UB*/None	UB*/None	None	None	L,P	None	UB	UB
Morocco	None/UB	None/UB	None	None	None	None	UB	UB
New Zealand	None	None	None	None	None	None	UB	UB
Norway	None	None	None	None	None	None	UB	UB
Philippines	UB*	UB*	None	None	Eq/X	None	X	None
Poland	UB*	UB*	None	None	None	None	UB	None
Singapore.	UB*/None	None	None	None	None	None	UB	UB
Slovak Rep	UB*	UB*	None	None	None	None	UB	UB
South Africa	UB	None	None	None	None	None	UB	UB
Sweden	UB*	None	None	None	None	None	UB	UB
Switzerland	UB*	UB*	None	None	L/ENT	R/L/ Exam	UB/CP	UB/CP/ L/N
Thailand	UB	UB	None	None	None/X	None/ Eq	UB	None
Turkey	UB*	None	None	None	None	None	P/X	None
USA	None	None	None	None	None	None	UB	UB

Note: A: Authorisation; CP: Commercial Presence; Eq: Equity Limitations; Establish: Establishment required; ETN: Economic Needs Tests; Exam: Examination required; L: Licence; Local incorp.: Local incorporation required; N: Nationality Requirement; None: No restriction; P: Permit; R: Residency Requirement; UB: Unbound; UB*: Unbound due to the lack of feasibility; X: Other limitations

Table 2. Restrictions in travel agencies and tour operators services based on the schedules of commitments

	Mode 1		Mode 2		Mode 3		Mode 4	
	MA	NT	MA	NT	MA	NT	MA	NT
Argentina	None	None	None	None	None	None	UB	UB
Australia	CP	None	None	None	None	None	UB	UB
Austria	None	None	None	None	None	None	UB	UB
Brazil								
Canada	No/CP	None/R	None	None	None	None/R	UB/R	UB/R
Chile	UB*	UB*	X	X	None	None	UB	UB
Czech Rep.	UB	UB	None	None	ETN	None	UB	UB
EC	None	None	None	None	None A/X/ ENT	None	UB/X	UB
Egypt	UB	UB	None	None	ENT	X	None	None
Finland	None	None	None	None	L/N	NONE	UB	None
Hong Kong, China	UB	UB	None	UB	None/ Local incorp	None	UB	UB
Hungary	UB	UB	None	None	None	None	UB	UB
Iceland	None	None	None	None	X	L/R	UB	UB
India	UB	UB	UB	UB	X	None	UB	UB
Indonesia	None	None	None	None	X	R	UB	UB
Japan	None	None	None	None	None	X	UB	UB
Korea	None	None	None	None	None	None	UB	UB
Malaysia	UB*	UB*	None	None	JV, Eq./L	None	UB	UB
Mexico	UB	UB	None	None	L,P	None	UB	UB
Morocco	Establish	None	None	None	L	None	UB	UB
New Zealand	None	None	None	None	None	None	UB	UB
Norway	None	None	None	None	None	None	UB	UB
Philippines ^a	CP	None	None	None	Eq	None	X	None
Poland	CP	CP	CP	CP	None	None	UB	None
Singapore.	None	UB	None	None	R	UB	UB	UB
Slovak Rep	UB	UB	None	None	None	None	UB	UB
South Africa	None	None	None	None	None	None	UB	UB
Sweden	Establish	None	None	None	Establish	None	UB	UB
Switzerland	None	None	None	None	None	None	UB	UB
Thailand	UB	UB	None	None	X	Eq	UB	None
Turkey	Establish	X	None	None	None	X	None	None
USA	None	None	None	None	X	None	UB	UB

a. Partial coverage (only Travel Agencies)

Note: A: Authorisation; CP: Commercial Presence; Eq: Equity Limitations; Establish: Establishment required; ETN: Economic Needs Tests; Exam: Examination required; L: Licence; Local incorp.: Local incorporation required; N: Nationality Requirement; None: No restriction; P: Permit; R: Residency Requirement; UB: Unbound; UB*: Unbound due to the lack of feasibility; X: Other limitations.

Grey shading indicates no commitments.

Table 3. Restrictions in tourist guides services based on the schedules of commitments

	Mode 1		Mode 2		Mode 3		Mode 4	
	MA	NT	MA	NT	MA	NT	MA	NT
Argentina	None	none	none	None	none	None	UB	UB
Australia	None	None	None	None	None	None	UB	UB
Austria	UB*	UB*	None	None	None	None	UB	UB
Brazil								
Canada								
Chile	UB*	UB*	X	X	None	None	UB	UB
Czech Rep.	UB*	UB*	None	None	None n	None	UB	UB
EC	None/UB	None	None	None	None	None	UB/N	UB
Egypt								
Finland	None	None	None	None	None	None	UB	None
Hong Kong, China								
Hungary								
Iceland	None	None	None	None	None	None	UB	R/A/L
India								
Indonesia								
Japan	UB*	UB*	None	None	None	X	UB	UB
Korea	None	None	None	None	X	None	UB	UB
Malaysia								
Mexico	UB	UB	None	None	L, P	None	UB	UB
Morocco	UB	UB	None	None	N	UB	UB	UB
New Zealand	None	None	None	None	None	None	UB	UB
Norway	None	None	None	None	None	None	UB	UB
Philippines								
Poland								
Singapore	None	UB	None	None	None	None	UB	UB
Slovak Rep	UB*	UB*	None	None	None	None	UB	UB
South Africa	UB*	UB*	None	None	None	None	UB	UB
Sweden	None	None	None	None	None	NONE	UB	UB
Switzerland	UB*	UB*	None	None	None	None/N/Exam	UB/CP	UB/Exam/N/CP
Thailand								
Turkey								
USA	None	None	Non	X	x	None	UB	None

Note: A: Authorisation; CP: Commercial Presence; Eq: Equity Limitations; Establish: Establishment required; ETN: Economic Needs Tests; Exam: Examination required; L: Licence; Local incorp.: Local incorporation required; N: Nationality Requirement; None: No restriction; P: Permit; R: Residency Requirement; UB: Unbound; UB*: Unbound due to the lack of feasibility; X: Other limitations

Grey shading indicates no commitments.

Table 4. Restrictions in “other services” related to travel and tourism services based on the schedules of commitments

	Mode 1		Mode 2		Mode 3		Mode 4	
	MA	NT	MA	NT	MA	NT	MA	NT
Argentina	None	None	None	None	None	None	UB	UB
Australia								
Austria								
Brazil								
Canada								
Chile								
Czech Rep.								
EC								
Egypt	None/ UB	None/ UB	None	None	None/ ENT	None/ X	None/ UB	None/ UB
Finland								
Hong Kong, China								
Hungary								
Iceland								
India								
Indonesia	None	None	None	None	Eq	X	UB	UB
Japan								
Korea								
Malaysia								
Mexico								
Morocco	UB	UB	None	None	None	None	UB	UB
New Zealand								
Norway								
Philippines								
Poland								
Singapore.								
Slovak Rep								
South Africa								
Sweden								
Switzerland								
Thailand	UB	UB	None	None	X	Eq	UB	None
Turkey								
USA	None	None	None	None	None	None	UB	None

Note: A: Authorisation; CP: Commercial Presence; Eq: Equity Limitations; Establish: Establishment required; ETN: Economic Needs Tests; Exam: Examination required; L: Licence; Local incorp.: Local incorporation required; N: Nationality Requirement; None: No restriction; P: Permit; R: Residency Requirement; UB: Unbound; UB*: Unbound due to the lack of feasibility; X: Other limitations

Grey shading indicates no commitments.

Table 5. Restrictions in selling and marketing of air transport based on the schedules of commitments

	Mode 1		Mode 2		Mode 3		Mode 4	
	MA	NT	MA	NT	MA	NT	MA	NT
Argentina								
Australia								
Austria	None	None/ UB	None	None	None	None/ UB	UB	UB
Brazil								
Canada								
Chile ^a ()	UB*	UB*	UB	UB	None	None	UB	UB
Czech Rep.	UB	UB	None	None	UB	UB	UB	UB
EC	None	None/ UB	None	None	None	None/ UB	UB	UB
Egypt								
Finland	None	None UB	None	None	None	None UB	UB	None
Hong Kong, China								
Hungary								
Iceland	None	None UB	None	None	None	None UB	UB	None
India								
Indonesia								
Japan	None	None	None	None	None	None/X	UB	UB
Korea	UB*	UB*	None	None	None	None	UB	UB
Malaysia								
Mexico								
Morocco	None	None	None	None	None	None	UB	UB
New Zealand	None UB	None	None UB	None	None UB	None	UB	UB
Norway	None	None/ UB	None	None	None	None UB	UB	UB
Philippines (general sales and cargo sale agency)	CP	None	None	None	None	None	None	None
Poland								
Singapore.								
Slovak Rep	UB	UB	None	None	UB	UB	UB	UB
South Africa								
Sweden	None	None UB	None	None	None	None UB	UB	UB
Switzerland	None	None UB	None	None	None	None UB	UB	UB
Thailand	UB	UB	UB	UB	X	X	UB	UB
Turkey	CP	None	None	None	None	None	None	None
USA								

a. Issue and sale of air transport fare and tickets.

Note: A: Authorisation; CP: Commercial Presence; Eq: Equity Limitations; Establish: Establishment required; ETN: Economic Needs Tests; Exam: Examination required; L: Licence; Local incorp.: Local incorporation required; N: Nationality Requirement; None: No restriction; P: Permit; R: Residency Requirement; UB: Unbound; UB*: Unbound due to the lack of feasibility; X: Other limitations

Grey shading indicates no commitments.

Table 6. Restrictions in CRS services based on the schedules of commitments

	Mode 1		Mode 2		Mode 3		Mode 4	
	MA	NT	MA	NT	MA	NT	MA	NT
Argentina								
Australia	None	None	None	None	None	None	UB	UB
Austria	None	None UB	None	None	None	None UB	UB	UB
Brazil								
Canada	None	None	None	UB				
Chile	None	None	UB	UB	None	None	UB	UB
Czech Rep.	UB	UB	None	None	UB	UB	UB	UB
EC	None	None UB	None	None	None	None UB	UB	UB
Egypt								
Finland	None	None UB	None	None	None	None UB	UB	None
Hong Kong, China								
Hungary	None	None	None	None	None	None	UB	UB
Iceland	None	None UB	None	None	None	None UB	UB	None
India								
Indonesia								
Japan	None	None	None	None	None	None/X	UB	UB
Korea	X	None	None	None	None	None	UB	UB
Malaysia								
Mexico								
Morocco	None	None	None	None	None	None	UB	UB
New Zealand	None	None	None	None	None	None	UB	UB
Norway	None	None UB	None	None	None	None UB	UB	UB
Philippines								
Poland								
Singapore								
Slovak Rep	UB	UB	None	None	UB	UB	UB	UB
South Africa								
Sweden	None	None UB	None	None	None	None UB	UB	UB
Switzerland	None	None UB	None	None	None	None UB	UB	UB
Thailand								
Turkey	None	None	None	None	None	None	None	None
USA								

Note: A: Authorisation; CP: Commercial Presence; Eq: Equity Limitations; Establish: Establishment required; ETN: Economic Needs Tests; Exam: Examination required; L: Licence; Local incorp.: Local incorporation required; N: Nationality Requirement; None: No restriction; P: Permit; R: Residency Requirement; UB: Unbound; UB*: Unbound due to the lack of feasibility; X: Other limitations

Grey shading indicates no commitments.