



Activity Title and Number: EU-China Roundtables on Cross-Border Supply of Services, A341-C1

Beneficiary: Ministry of Commerce (MOFCOM)

Location and Date: Beijing, Shanghai; 17-20 June 2014

Stakeholders: Development Research Center of the State Council, Shanghai University of International Business and Economics

Brief Activity Report

Relevance and Impact

According to Eurostat, European exports of services increased from €367 billion in 2004 to €684 billion in 2013. In 2013, 5% of European exports of services (value €32 billion) were to China. E-commerce is driving a significant increase in cross-border trade in services. China's domestic e-commerce market will soon be the largest in the world, and its leading actors will continue to internationalise.

At the request of China's Ministry of Commerce, EUCTP II organised a series of seminars on the cross-border supply of services aimed at disseminating the findings of two EUCTP II study reports on trade in services – the report on *Cross-border Supply of Services*; and the report on *Cross-border Supply of Services Techniques*. These reports examined the European Union's approach to cross-border trade in services, which differs significantly from GATS as well as the evolving EU regime of data protection and its impact on the regulation of cross-border trade in services.

Activity Description

One hundred officials from MOFCOM, the China Banking Regulatory Commission and the People's Bank of China, and high level academics from the State Council Development Research Centre and Shanghai University of International Business and Economics participated in the seminars. To inform participants on the challenges of regulating internet services under the GATS, a Chinese scholar presented China's services schedule. Three European academics presented and discussed: (i) the main differences between GATS and EU law approaches to services, (ii) the role of data protection in cross-border supply of services, (iii) the EU legal framework regulating the cross-border supply of services via the internet and (iv) the GATS perspective on SMEs in trade services and Foreign Direct Investment legal framework. Finally, Pierre Sauvé, Deputy Managing Director of the World Trade Institute suggested that China's apparent delay in joining negotiations on the Trade in Services Agreement might create political difficulties later on.

Results and Dissemination

- ✓ Chinese decision-makers gained a finer appreciation of the evolving EU regimes for cross-border trade in services and the differences from the WTO-GATS approach, and learned about the developing EU-wide data protection regime; and
- ✓ Provided Chinese officials with a reference framework which will be useful to decide the future of China's data protection regime.