

Comments on the Ochiai-Dee-Findlay Paper

Fuku Kimura
(Keio University)

Big appreciation

- A series of path-breaking works
 - Quantification of barriers to trade in services is extremely important.
 - Evaluating how far FTAs can liberalize trade in services.
 - Relationship between multilateral and bilateral (plurilateral) channels in the liberalization of trade in services.

Analysis on the nature of bargaining needed

- Can head-to-head bargaining in FTA negotiations accelerate liberalization in trade in services?
 - Large asymmetry (cf. trade in goods)
 - Who can have offensive agenda in trade in services? The US and who?
 - Who really believes in philosophy?
 - Connection with domestic policies (political economy, adjustment cost in policy changes, ...)

Criteria for evaluation (1)

- “Liberalization” in MA? (cf. NT)
 - Policy disciplines backed up by economic theory
 - Nondiscrimination (MFN and NT) !!
 - Convergence/harmonization of economic institutions ??
 - MA in GATS includes the latter elements.
 - Full commitment in MA = liberalization?

Criteria for evaluation (2)

- Discriminatory characteristics of FTAs should be evaluated.
 - Parallel to trade in goods?
 - Important in trade in services?

Conceptual issue

- Concept of “nationality” in FTAs is different from the setting in GATS.
 - GATS does not specify who is foreigners.
 - Not “firm nationality” in terms of capital shares, etc. / not “residency” as in SNA system / no need to specify who protects whom.
 - However, G-G dispute settlements only.
 - In discriminatory FTAs under GATS V...
 - Who is a foreigner? Who is “Japanese”? The rule of origin? Different from GATS.
 - What happens with P-G dispute settlements?
 - Similar issues in bilateral investment treaties?