



REGULATORY NEWS

India's dispute with the U.S. over non-immigrant temporary working visas

On 3 March 2016, India filed a [dispute](#) with the U.S. at the World Trade Organization (WTO) over the alleged violations of commitments in the movement of natural persons or [Mode 4](#), particularly raising visa fees imposed on L-1 and H-1B non-immigrant categories of short-term service providers, as well as failure to implement the agreed terms for numerical quotas of H-1B visas. Under the [Consolidated Appropriations Act of 2016](#), the U.S. increased the combined filing fee and fraud prevention and detection fee for L-1 and H-1B type visas by US\$ 4,500 and US\$ 4,000 respectively. This applies to companies with 50 or more employees in the U.S., if more than 50 percent of their employees are non-immigrants employed on such visas. [USCIS report](#) reveals that 70% of the total H-1B petitions approved in the fiscal year 2014 were used to hire workers from India. According to the [National Association of Software and Services Companies \(NASSCOM\)](#) in India, the hike in visa fee is expected to put a burden of [US\\$ 400 million](#) a year to Indian IT export firms. India argued that the restrictive measures are inconsistent with U.S. specific commitments under [the General Agreement on Trade in Services \(GATS\)](#). These measures effectively treat Indian services suppliers who are allowed a commercial presence in the U.S. less favourably than U.S. entities providing similar services

United States launches Digital Attaché program

On 11 March 2016, U.S. Secretary of Commerce Penny Pritzker announced the launch of a pilot program '[Digital Attache](#)', a new initiative that establishes an expert network of digital attaches in six to eight key markets, including ASEAN, Brazil, China, Japan, India, and the European Union to ensure that U.S. companies can participate in the global digital economy and reach markets worldwide. According to the [Commerce Department's](#) figures, the United States exported roughly US\$ 400 billion in digitally-deliverable services, accounting for more than half of U.S. services exports and about one-sixth of all U.S. goods and services exports, making the digital market a vital force for economic growth. The program aims to support and assist U.S. businesses to successfully navigate digital policy and regulatory issues in foreign markets and expand exports through global e-commerce channels. This initiative will enhance efforts to advance commercial diplomacy, drive policy advocacy on technology issues, ensure linkages between trade policy and trade promotion efforts, and provide front-line assistance for U.S. small and medium enterprises (SMEs) to take advantage of the robust e-commerce channels. The [Commerce](#)

[Department](#) sets the promotion the free flow of information worldwide as a top priority.

APEC launches multi-year Environmental Services Action Plan

Trade officials from the [Asia Pacific Economic Cooperation \(APEC\)](#) region convened in March 2016 in Lima to announce the launch of a multi-year Environmental Services Action Plan, which will facilitate the lowering of associated regulatory and trade policy barriers in APEC economies, with implications for industries ranging from water and waste management to recycling and renewable energy development. APEC has led the way [in reducing tariffs on environmental goods](#) and is building on this work by creating enabling conditions for services providers that employ green technologies. The global market for environmental goods and services is expected to double to US\$ 2 trillion within five years, fuelled by increasing global energy consumption, demand for greater efficiency and environmental regulation. The Environmental Services Action Plan will be implemented in the next four years to build the technical bandwidth of APEC economies to adopt efficient regulation and trade promotion policies in environmental services.

U.S.- EU Privacy Shield text

In February 2016, the U.S. Department of Commerce and the European Commission released [the U.S.- EU Privacy Shield text](#), an agreement which was established to provide companies with a mechanism to comply with EU data protection requirements when transferring personal data from the European Union to the United States in support of transatlantic commerce. [The U.S. - EU Privacy Shield](#) reflects the requirements set out by the European Court of Justice in its ruling on 6 October 2015, which declared the old Safe Harbour framework invalid. The new framework requires participating U.S. organizations to develop a conforming privacy policy, publicly commit to comply with the Privacy Shield Principles so that the commitment becomes enforceable under U.S. law. The new arrangement includes commitments by the U.S. that possibilities under U.S. law for public authorities to access personal data transferred under the new arrangement will be subject to clear conditions, limitations and oversight, preventing generalised access. Any citizen who considers that their data has been misused under the new arrangement will have several redress possibilities. The new framework will also enable thousands of companies in the U.S. and subsidiaries of European companies in the U.S. to receive personal data from the E.U. to facilitate data flows that support transatlantic trade.

TRADE NEWS

Increase in Chinese tourists' spending

Chinese expenditure on outbound travel reached US\$ 215 billion in 2015, indicating a 53% increase from 2014, according to the [World Travel & Tourism Council](#). Statistics from [China National Administration Tourism](#) reveals that the number of Chinese tourists traveling abroad has [more than doubled](#) to 120 million people over the last five years, favourably impacting Japan which experienced a 49% year on year increase in revenue from foreign visitors. Europe has also benefited from the [influx in Chinese travel](#), with major destinations like the UK and Germany, alongside emerging destinations like Iceland, profiting from this trend.

BUSINESS NEWS

Airbnb paid US\$ 1.3 million in tourist taxes to Paris

The home-sharing e-commerce company [Airbnb](#) began to collect a tourist tax or *taxe de sejour* from visitors to Paris following a request by Paris authorities last year, charging users at a rate of € 0.83 per person per night. Paris is [Airbnb's top travel destination](#) with more than 40,000 holiday rentals in the French capital listed on the site. The city's hotel owners [raised concerns](#) about its rapid expansion, accusing the company of providing unfair competition. Although renters at Airbnb should report any

income for tax purposes, they do not incur other tax and charges that a hotel has to pay. Airbnb handed over nearly [€ 1.2 million](#) (US\$ 1.3 million) to the local authority in Paris in the last quarter of 2015. The levy raised € 1.17 million which corresponds to 1.4 million overnight stays from October to the end of the year. Airbnb has introduced similar tax-collecting systems in [several other cities in Europe and some states in the U.S. and the country of India](#).

Africa Internet Group (AIG) raised US\$ 326 million of funding

After receiving [US\\$ 83 million](#) from Europe's AXA Insurance last month, AIG secured further funding of US\$ 326 million this month from existing investors including South African telecoms group MTN and Rocket Internet as well as a new investor, Goldman Sachs. Jumia, AIG's main subsidiary, intends to use the funds to support its continued growth, and to execute on attractive development opportunities in Africa along with AIG's other ecommerce platforms. [With a valuation of over US\\$1 billion](#), AIG is Africa's first 'tech unicorn.' Backed by [Rocket Internet](#) – a German internet company, AIG's startup network includes [online platforms](#) across hotel, fashion, employment, real estate, and transportation services.

UPCOMING EVENTS

China International Fair for Trade in Services (CIFTIS)

CIFTIS is one of the world's largest trade fairs focused on services trade which will be held from 28 May to 1 June 2016 in Beijing. The event features exhibitions for services exporters to showcase their offerings as well as high level forums and policy dialogues to help making services trade easier across the globe. [ITC](#) is one of the international partner agencies of the CIFTIS and will support – through a programme funded by the Chinese Ministry of Commerce – a delegation of services exporters from the developing countries to participate in the trade fair.

Global Exhibition on Services (GES)

The Government of India, Ministry of Commerce and Industry in association with Services Export Promotion Council (SEPC) and Confederation of Indian Industry (CII) is organizing [the second edition of GES](#) from 21 to 23 April 2016 at India Expo Centre and Mart, Greater Noida. The objective is to provide a platform to all the participants, delegates, business visitors and other key decision maker from the services industry and other related industry to interact with, and explore new business avenues.

COMESA ICT services industries public private dialogue

The [COMESA Business Council \(CBC\)](#) is organizing its first Information and communications technology (ICT) services industries public private dialogue (PPD) from 19 - 20 April 2016 in Nairobi, Kenya with the theme 'It's an ICT world: Access - innovation - policy for business competitiveness'. The event will discuss opportunities and challenges faced by African ICT enterprises, cloud readiness of countries in Africa, ICT governance, ICT policy landscape among others.

UNCTAD's E-commerce week

[The second UNCTAD's E-Commerce Week](#) will be held from 18 - 22 April 2016. It offers a unique opportunity for governments, international organizations, the private sector and civil society to engage in a dialogue on fundamental issues related to e-commerce and development. The week starts with interactive sessions on cybercrime readiness assessments, consumer protection online, e-commerce and trade policies, E-commerce Policy Reviews organized by and with UNCTAD's partners.

PUBLICATIONS

Digital globalization: the new era of global flows

The rapidly growing flows of international trade and finance that characterized the 20th century have flattened or declined since 2008. Yet globalization is not moving into reverse. Instead digital flows are soaring—transmitting. The recently published report by McKinsey, titled '[Digital globalization: the new era of global flows](#)' provides a detailed analysis of how global flows are continuing to evolve. It offers new insights into how companies and countries are participating in the web of flows and extends our econometric analysis, drawing on improved data and employing more sophisticated methodology. The report reveals even stronger evidence of the economic value of participating in global flows—and finds that data flows account for a substantial portion of that impact. Both inflows and outflows matter for growth as they circulate ideas, research, technologies, talent, and best practices around the world.

Export of Value Added (EVA) database

The [EVA database](#) was recently launched on the World Bank Group's [World Integrated Trade Solutions \(WITS\)](#) data website. It includes [data for user-specific queries](#) and also has [data for bulk download](#). The EVA Database measures the domestic value added contained in exports for about 120 economies across 27 sectors, including nine commercial services sectors, three primary sectors, and 14 manufacturing sectors. The data spans intermittent years between 1997 and 2011. What sets the EVA Database apart is the wide coverage of developing countries: over 70 of the economies included are low- and middle-income. Measuring trade on a value-added basis makes it possible to see a sector's direct value-added contribution to exports as well as the linkages to other sectors of the economy.

Trade in services: case studies from Africa

On 26 February 2016, the Department of Trade and Industry of the African Union Commission [officially launched](#) the book titled 'Trade in services: case studies from Africa'. In recognition of the importance and largely untapped potential of services to contribute to African growth and trade, and with the goal of raising awareness of the opportunities for expanding exports in this area, the book highlights Air Transport Services in Ethiopia, Banking Services in Nigeria, Business Processing Outsourcing/ICT Services in Senegal, Cultural Services in Burkina Faso, and Higher Education Services in Uganda. The studies are an examination of possible best practices in services exports on the continent, as seen from the suppliers' point view, with a review of the role of government policy and other factors that may have shaped their success.

WTO services profiles 2015

[Services Profiles 2015](#) provides key statistics on infrastructure services, i.e. transportation, telecommunications, finance and insurance, for 186 economies. This includes, for the first time, data for all 161 WTO members.

Rethinking services in a changing world

In January 2016, International Centre for Trade and Sustainable Development (ICTSD) together with World Economic Forum (WEF) published a paper titled '[Rethinking Services in a Changing World](#)' under the E-15 initiative. This paper examines issues and outlines related recommendations under six specific categories: services and digitization; SMEs and services trade; the role of soft law in international agreements; regulatory cooperation; coherence issues arising in relation to the separate rules governing goods and services; and, modifications to the GATS related to temporary presence and also scheduling disciplines.



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