

A recent release of confidential documents from WikiLeaks has finally relieved the silence surrounding the negotiations of an important but fairly obscure multilateral trade agreement.

Australia, the US and the European Union have been quietly negotiating the [Trade in Services Agreement \(TiSA\)](#) since 2013, but until now there has been silence around the process and substance of the negotiations.

However, the [release of confidential documents](#) by WikiLeaks shows the agreement would further complicate multilateral trading systems set by the World Trade Organisation's (WTO) [General Agreement on Trade in Services](#).

This is a serious concern for the future of service-oriented economies, like Australia, considering that TiSA parties collectively account for around 70% of the [global trade in services](#). The complexity and uncertainty created by TiSA would be an incentive for businesses to avoid navigating the existing framework, making it harder to access trading opportunities in emerging sectors.

What is TiSA?

In 2013, the European Commission opened negotiations for a new international agreement on trade in services. Initially, this proposed multilateral treaty was named the International Services Agreement (ISA) and involved a co-opted grouping of 23 WTO members, led by the top global trading economies including the US, the EU, Japan, Australia and Canada.

The ISA then evolved as the Trade in Services Agreement (TiSA) to harmonise with WTO rules.

[Australia chaired the last round of TiSA negotiations](#). These made further headway in negotiations in the areas of market access, liberalisation of financial services, telecommunications, temporary entry of business persons, and transport and localisation

sectors.

Besides, the latest WikiLeaks' release included a previously unknown [annex to the TiSA on state-owned enterprises](#)

This aims to level the ground of transnational competition between public and private sector businesses. It does so by stating that state-owned enterprises must apply the same commercial considerations to buying or selling services as a private sector entity would when it engages in commercial activities.

The documents show that TiSA is going to add further complexity to the regulations around emerging services sectors, such as telecommunications and payments. The prospects for its later incorporation into the WTO framework seem very uncertain.

TiSA doesn't work with other trade frameworks

There is scope for parties to TiSA to introduce measures that do not conform or are inconsistent with the treaty. This may hinder the commercial development of services in new sectors such as non-banking digital payments (e.g. Apple Pay, Paypal), the sharing economy (e.g. Uber, Airbnb) and digital communications (e.g. Whatsapp, Skype).

This is because the TiSA only partially conforms to either the WTO's General Agreement on Trade in Services (GATS) or the majority of the existing regional trade agreements (RTAs). The complexity means there will be varying interpretations of the agreements, mostly those related to services like payments, transfers and telecommunications.

The best trading strategy for multinational agreements like this is still [contested](#). However, approaches that complicate the system, as with TiSA, should be rejected because in the end it costs the services sector.

According to [the latest DFAT data](#), the services sector employs four out of five Australians, and the role of international trade in services in Australia is significantly expanding. In fact, Australia's exports of services rose by 9.4% to A\$62.8 billion in 2014-15, accounting for 19.7% of Australia's total exports, up from 17.3% in 2013-14.

WikiLeaks reveals the TiSA agreement could cost Australian services

Written by The Conversation

In global trade in services reform, Australia's priority sectors include financial services, telecommunications, professional services, education, mining-related and environmental services.

With the disruption TiSA may create in the existing multilateral trading system, it would be harder for the Australian services economy to access much-needed trading opportunities in emerging sectors.

In particular, uncompetitive or transforming Australian businesses dealing with cross-border services would be discouraged from navigating the regulatory framework. This is going to trigger a perverse dynamic that may lead to the lessening of crucial legal safeguards and economic innovation.

This situation may add yet another layer to the rule-making environment of international trade in services. It is quite the opposite of a straightforward deregulation of [professional licensing and technical standards](#)

Complex regulation is the real enemy in the pipeline of Australian businesses under pressure from globalising economies.

Giovanni Di Lieto is affiliated with NOMIT Inc., a not-for-profit network of contemporary Italian culture in Melbourne.

Read more <http://theconversation.com/wikileaks-reveals-the-tisa-agreement-could-cost-australian-services-63199>