

PACER Plus

Trade in Services

Trade in services can play an important role in the development of services sectors in the Pacific Foreign Island Countries and also have positive impact on trade in goods. Services are a potential source of export diversification. This is particularly important for small island states where manufacturing capacity is limited.

The obligations in the Trade in Services Chapter aim to influence the behaviour of PACER Plus governments to make it easier for people and businesses from PACER Plus countries to provide services to customers in each other's countries.

Parties have the right under PACER Plus to regulate the supply of services in order to meet national policy objectives, so long as it acts consistently with its obligations.



Parties

- Maintain the 'reserved list' where foreign investment is prohibited by not including these sectors in the national schedule.
- Reserve the right to take any measure with respect to ownership of land.



What are Services?

Services are activities which are part of a country's economy but are not concerned with producing or manufacturing goods. Examples include tourism (such as running hotels, providing tours), banking, providing public utilities such as water distribution, transport and distribution services, retail, education, and health care.

PACER Plus applies to most kinds of services but some of the obligations (market access and national treatment) only apply to sectors that Parties have specifically committed.

Services can be provided by a business from one PACER Plus country in another PACER Plus country in several ways as shown below.

Ways of providing services	Example
A business in country A can provide services to a customer in country B but without entering country B themselves.	A consultant in New Zealand provides services to a customer in Tonga via email.
A consumer traveling from country A and consuming services in country B.	A New Zealand consultant travels to Tonga and stays at a hotel and eats in restaurants – in this case Tonga is the country of export because the consumer has come to Tonga.
A business from country A sets up a presence inside country B.	A New Zealand company sets up a business running a hotel or restaurant in Nuku'alofa.
A business person or a worker travels to another country to work.	A person from Kiribati comes to work in a restaurant in Tonga, or a consultant from New Zealand comes to visit Tonga to see customers.