# ASEAN – HONG KONG, CHINA FREE TRADE AGREEMENT

# Specific Commitments<sup>1</sup> of ASEAN Member States (AMS) on

Health Related and Social Services

Modes of supply	<sup>2</sup> : 1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4) Presence of natural persons		
AMS Sector or Sub-sector			Limitat	ions on	Market Access		Limitations on National Treatment		
Brunei	No commit	ment		Not applicable	Not applicable			applicable	
Darussalam									

<sup>&</sup>lt;sup>1</sup> As extracted from the Schedules of Specific Commitments of ASEAN Member States. The full schedules can be found in Trade and Industry Department's website at <a href="http://www.tid.gov.hk/english/ita/fta/hkasean/text\_agreement.html">http://www.tid.gov.hk/english/ita/fta/hkasean/text\_agreement.html</a>.

<sup>&</sup>lt;sup>2</sup> See explanatory note at Annex.

Modes of supply		1) Cross-border supply 2) Cor	isumpti	on abroad 3) Commercial presence	4)	Presence of natural persons
AMS		Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment
Cambodia	Α.	Hospital services				
	1.	Hospital services Ownership and	1)	None	1)	None
		management of private hospitals and	2)	None	2)	None
		clinics only	3)	None, except at least one director	3)	None
				for technical matters must be		
				Cambodian		
			4)	Unbound, except as indicated in	4)	Unbound, except as indicated in the
				the horizontal section		horizontal section

Modes of supply:	1)	Cross-border supply	2) C	onsumption abroad	3)	Commercial presence	4)	Presence of natural persons	
AMS		Sector or Sub-sector		Limitati	ons on	Market Access	Limitations on National Treatment		
Indonesia No commitment				Not applicable			Not	applicable	

Modes of supply:	1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons	
AMS		Sector or Sub-sector		Limitati	ons on	Market Access	Limitations on National Treatment		
Laos PDR No commitment				Not applicable			Not	applicable	

	Modes of supply:	: 1)	Cross-border supply	2) C	onsumption abroad	3)	Commercial presence	4)	Presence of natural persons	
	AMS		Sector or Sub-sector		Limitati	ons on	Market Access	Limitations on National Treatment		
N	Malaysia No commitment				Not applicable			Not	applicable	

Modes of supply:	: 1)	Cross-border supply	2) (	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons	
AMS		Sector or Sub-sector		Limitati	ons on	Market Access	Limitations on National Treatment		
Myanmar No commitment				Not applicable			Not	applicable	

Modes of supply:	: 1) Cross-border supply 2)				sumption abroad	3)	Commercial presence	4) Presence of natural persons		
AMS		Sector or Sub-sector			Limitatio	ons on	Market Access		Limitations on National Treatment	
The	The No commitment			Not applicable				applicable		
Philippines										

AMS		Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment
Singapore	В.	Other Human Health Services				
	В.	Acute care hospitals, nursing homes	1)	Unbound*	1)	Unbound*
		and convalescent hospitals as defined	2)	None	2)	None
		by the Private Hospitals and Medical	3)	None	3)	None
		Clinics Act, run on a commercial basis	4)	Unbound except as indicated in the	4)	Unbound
		(CPC 93193 **)		horizontal Section		
	C.	Social Services				
	C.	Guidance and counselling services not	1)	None	1)	Unbound
		elsewhere classified related to children	2)	None except unbound for a non-	2)	None except unbound for a non-
		(CPC 93322)		resident service supplier soliciting		resident service supplier soliciting
				business or conducting active		business or conducting active
				marketing in Singapore		marketing in Singapore
			3)	None, except unbound for facilities/	3)	None, except unbound for facilities/
				service operations run by non-profit		service operations run by non-profit
				service suppliers that are partially or		service suppliers that are partially of
				totally state-funded		totally state-funded
			4)	Unbound except as indicated in the	4)	Unbound
				horizontal Section		

Modes of supply:	: 1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons	
AMS		Sector or Sub-sector		Limitati	ons on	Market Access	Limitations on National Treatment		
Thailand No commitment				Not applicable			Not	applicable	

Modes of suppl	y:	1) Cross-border supply 2) Con	nsumpti	on abroad 3) Commercial presence	4)	Presence of natural persons
AMS		Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment
Viet Nam	Α.	Hospital services				
	Α.	Hospital services (CPC	1)	None.	1)	None.
		9311)	2)	None.	2)	None.
			3)	Foreign service suppliers are permitted	3)	None.
	В.	Medical and dental services (CPC		to provide services through the		
		9312) <sup>3</sup>		establishment of 100% foreign-		
				invested hospital, joint venture with		
				Vietnamese partners or through		
				business cooperation contract.		
				The minimum investment capital for a		
				commercial presence in hospital		
				services must be at least US\$20 million		
				for a hospital, US\$2 million for a		
				policlinic unit and US\$200,000 for a		
				specialty unit.		
			4)	Unbound, except as indicated in the	4)	Unbound, except as indicated in
				horizontal section.		the horizontal section.

<sup>&</sup>lt;sup>3</sup> Medical and dental services are <u>not</u> part of Health related and social services under the Services Sectoral Classification List WTO document MTN.GNS/W/120. Yet, Viet Nam has classified Medical and dental services under Health related and social services and scheduled its commitments accordingly.

# **EXPLANATIONS OF THE FOUR MODES OF SUPPLY FOR TRADE IN SERVICES**

#### Cross Border Supply (Mode 1)

The cross border mode of supply refers to the supply of service from the area of an FTA party into the area of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 1, a service supplier of the other Party of the FTA (i.e. Party B) can supply the service within the area of Party B to service consumers in the area of Party A, without being physically present in the area of Party A. An example is the supply of consultancy service through telecommunications, fax or mail etc.

## Consumption Abroad (Mode 2)

The consumption abroad mode of supply refers to the supply of service in the area of an FTA party to the service consumer of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 2, a service supplier of Party B can, within the area of Party B, provide the service to consumers of Party A who are present in the area of Party B. An example is the supply of hotel services.

# Commercial Presence (Mode 3)

The commercial presence mode of supply refers to the supply of service by a service supplier of an FTA party, through commercial presence in the area of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 3, a service supplier of Party B can provide the service within the area of Party A through commercial presence in the area of Party A. This covers the presence of juridical persons (e.g. corporations, joint ventures, partnership, sole proprietorship, trust, association) as well as representative offices, branches etc.

## Movement of Natural Person (Mode 4)

The movement of natural person mode of supply refers to the supply of service by a service supplier of an FTA party, through the presence of their natural persons in the area of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 4, a service supplier of Party B can provide the service within the area of Party A through the presence of natural persons of Party B. This covers natural persons who are themselves service suppliers, as well as natural persons who are employees of service suppliers (e.g. accountants of accounting firms).