



IMPACT OF GLOBALIZATION ON ARCHITECTURAL SERVICES

DATO SRI AR ESA MOHAMED

INTERNATIONAL CONFERENCE OF ARCHITECTS
8TH-9TH OCTOBER 2010, MANILA

AKITEK JURURANCANG MALAYSIA,
19, JALAN KAMPONG ATTAP,
50460 KUALA LUMPUR.

IMPACT OF GLOBALISATION ON ARCHITECTURAL SERVICES

INTRODUCTION

Architecture as a profession is facing new challenges brought about by globalization and technological advancements. There are tremendous challenges and pressures to justify our relevance. In the light of the current global downturn economic survival takes precedence over any other luxuries. Some consider Architecture as a luxury one can do without at this point. This is a fallacy. Architecture and the built environment are relevant and crucial for our future. Architecture as part of the urban environment represents a specific and major identity of the place and citizens as it shapes our habitat, shelter and also our physiological well being. It contributes to economic development, employment and social integration. Architecture promotes the quality of life and cultural diversity.

Architectural dimensions have expanded due to the demands of globalization, climate change and sustainability. While the government has acknowledged the importance of sustainability and the environment, their impacts on environmental design and architecture are yet to be appreciated by the public at large. The appreciation of architecture is the challenge and not merely its commercialization. We have witnessed the mobility of architecture across the globe, in China, UAE and even in the holy city of Makkah where internationally renowned architects have been invited to prepare proposals for the expansion of Al Haram Mosque. External interventions and economic objectives are issues with which we have to be concerned and which will also determine the form and way we practice architecture.

GLOBALISATION

Why should we be bothered with globalization? Why are there so many objections to the phenomenon? Yet we live and depend on it; we consume Coco Cola and McDonalds without even thinking that they are American intrusions into our diet. The same goes for all products and technologies of foreign brands. Are they really intrusions to the local culture or simply trading enterprises? It is an economic phenomenon, which involves the integration of national economies through the expansion of global trade, investments and movement of capital along with the rapid increase in cross-border social, cultural and technological exchange. With the phenomenal advancement in ICT, globalization flourishes. We are trapped in this liberal world of cyber technology. There is less and less distinction in our lifestyle here in Asia or USA, Europe, China or the Middle East. It is becoming more and more trying for us to accept national culture as opposed to world culture. At the press of a button the whole world is before you. This is the challenge. And what a challenge it is!

We have gone through several global economic crises before and are still recovering from the severest one in 50 years, which started with the subprime mortgage crises in late 2006 in the USA. In 1997 we had the Asian Financial Crisis which witnessed the collapse of the Asian economies. Malaysia was the maverick and decided to go it alone. She closed her doors a little to weather the storm much to the criticism of those in control of the world financial system. This time around the whole world financial system collapses and the culprits abound.

So on 2nd April 7, 2009 the G20 met in London to mend the damage and the potential economic disaster the world would face if affirmative actions were not agreed upon by these select nations. Apart from the commitment to allocate USD 1.1 trillion to stimulate the world economy, there is also a curb on free enterprise, which was advocated by the Bush administration in favour of stricter control on the financial market. A year later the Greek economy floundered with the uncovering of massive deficits in the government's budget. The country was virtually bankrupt and called for a bail out from other EU states. On 9th May 2010 the EU Economic Ministers approved a rescue package of close to a trillion dollars to stabilize the financial system across the EU. The economic problems of the Euro zone have affected Portugal, Italy, Greece and Spain (PIGS). The aftermath of the subprime debacle in the US had exacerbated the economic in Europe and globally.

Such economic crises and the world events that ensued are the outcomes of the global economy that we are in. As trading nations in the world, we are not spared from the impact of the global economic downturn. Hence it will also impact on the extent of development that we want to embark upon and accordingly the building and construction works which also determine our employment. The last decade saw frenzied developments across the globe. China and India were the stimuli that attracted architects from around the world to sell their services and expertise. The building and construction activities drove the demand for resources and energy to dizzying heights and the populations were mesmerized into believing that there is infinite economic growth and investments. Dubai in the UAE became the playground for bizarre designs. (Ref; the EDGE on 22 January 2007). The rationale for such immense development without any basis feasibility or sustainability was questionable. Yet the demand appeared to exceed supply then. The market was hungry for more and so the banks came up with innovative funding instruments and mechanisms. Then the bubble burst and the building sites were abandoned. It will take years for the system to turn around as a lot of developers got hit badly.

The power of globalization has brought about wealth creation and accumulation in the developed world. The developing countries have been crying foul about the imbalance in the distribution of wealth between the East and West. The command of capital and services by the West gave rise to their dominance in the global economies and the rest follows i.e. politics, industry, military, etc.

U.S. trade in services continues to be a source of strength in the face of the severe economic downturn and financial crisis. U.S. exports of services reached \$535 billion in 2008, an increase of 12% over 2007. U.S. imports of services, meanwhile, grew 8% to \$367 billion, leaving the United States with a services trade surplus of \$167 billion. That surplus itself increased 21% over 2007, demonstrating the global competitiveness of the sector.

Leading U.S. service exports include transportation and travel services, royalties and licensing fees, and a vast range of professional and business services, from financial services to information technology, advertising, telecommunications, management consulting, and legal, accounting, and many other professional services. The service sector accounts for nearly 80% of US private sector GDP, and employs 80% of the American workforce compared to 55% and 50% respectively for Malaysia. The volume of services trade had more than doubled from USD 1.3 trillion in 1997 to 3.3 trillion. Developing countries have to seek aggressively beyond their shores for markets for their services. It is already prevalent in some sectors of the economy, albeit the lower end of the spectrum.

Globalization has become an essential part of our lives. The Internet and advancement in ICT have reduced the world into one seamless global market where services cross borders both in the physical as well as the virtual environment. We no longer compete in a smaller domestic market but internationally. Services and business process outsourcing have become common where services are procured across borders. "Internetworking" has now become a common business tool which has increased

communication capacity and services mobility exponentially. It is becoming impossible to restrict the movement of technology, culture, services, businesses and ideologies across borders.

As signatories to the GATS and a member of the WTO, we have to accept the imminent opening up of our domestic market. The multi lateral negotiation, which was launched at a ministerial conference in Doha, Qatar in November 2001, which includes services trade, has yet to see success, even after successive rounds of meetings in subsequent years. The collapse of the negotiation is due to disagreement between the east and west, developed and developing countries and principally USA and EU against India and China. It stemmed from the insistence of the developing countries to link the agricultural sector and services. As there was no resolution on the agricultural negotiations, the services negotiations have stalled. However Malaysia is quite aggressive in wanting to liberalise the services industry as it sees it being the new engine of growth.

THE ARCHITECTURAL PROFESSION

Architecture, as a discipline, deals with the environment and habitat, so it cannot ignore the problems as well as progress that society is facing today. Architecture, engineering and other professions are the products of technological advancements of society. As long as we are exposed to world trade we must accept that the professionals will also have to adjust their mindset to look beyond their shores to acquire and export technologies and expertise. We are living in a borderless world exchanging technologies and developing new ones to prolong our existence.

The architectural profession is also perhaps the most visible of all in the context of globalization and colonization. The empires of Greece and Rome expanded through Europe at the dawn of human civilization and left, as their legacies, the architectural monuments and technologies that came with them. The Islamic empire that spread through Europe and Asia was similarly endowed with fine architectural legacies and engineering feats which manifested itself in the Moorish monuments through Spain and the Ottomans' in Turkey and the Balkans. This globalization process has not differed till today. It came together with the movement of trade as well as conquerors.

The colonization of countries in Asia by the British and European colonizers historically left us with the monuments and lifestyles upon which we have based our administration. The planning of our towns and settlements has been the result of the influence of the British or European colonizers. The modern architectural treatment of our built environment and buildings are the results of the skills acquired by our professionals from education and technologies/or in foreign countries. International conferences on design and urbanism are being held regularly in foreign countries to promote new exchanges of ideas. Building technologies, products, materials and finishes were imported from the west. Now we build factories domestically with foreign capital to produce them to be closer to their markets. Building components and products which are extensively manufactured in China are finding their ways to modern buildings across the globe. So design and architecture are borderless.

Developments in under developed countries started with the assistance of the developed nations and bodies such as the World Bank, UNDP, ADB, JAICA and other foreign loan assistance programs. Part of the deal was to engage foreign consultants to undertake studies and consultancy services for those foreign aid projects. We then developed a culture of importing foreigners in almost all major public projects, which renders the local consultants subservient to their foreign counterparts. This culture and attitude seem to be embedded in the minds of the client bodies who regard local architects and engineers merely as facilitators for project implementation rather than experts in their field. The fact that local consultants are capable of undertaking projects of any magnitude has not sunk in yet. These are the

issues that come with globalization. There is a need to change the mindset of the governments and the stakeholders and arrive at a mechanism that benefits all.

WORLD TRADE ORGANISATION (WTO) AND GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

Most of our governments are members of the World Trade Organization (WTO) and have made substantial commitments under General Agreement on Trade in Services (GATS).

The trade in services is governed primarily by domestic regulations, which control the supply of services as well as the presence of Foreign Service supplies. These domestic regulations are instituted to regulate the conduct and delivery of such services to protect public interests, culture and tradition as well as being a mechanism for protection of domestic industry. Malaysia is one of the signatories of GATS and a member of WTO and is obliged to adhere to the commitments made under the agreement. This is stipulated in the Schedule of Specific Commitments made by each of the member nations. Basically the GATS commitment deals with market access and national treatment of service suppliers in connection to;

- ***Cross-border supply (Mode 1)***
Supply of service from a member country to customers within the border of another member country (e.g. telecommunications, postal, services offered through the internet).
- ***Consumption abroad (Mode2)***
Customer crosses the border to consume a service in another member country (e.g. tourism, education or medical treatment overseas)
- ***Commercial presence (mode3)***
Supply of service by a provider of a member country through a commercial presence established in another country. (E.g. Representative office, branch office or joint venture.)
- ***Presence of natural person (Mode4)***
Supply of service by a provider of a member country through the presence of natural persons in another country. (E.g. lawyers, doctors, architects, engineers and other consultants)

Negotiations for progressive liberalization, which were ongoing at the WTO, were targeted to be complete in January 2005. This target was not been met due to failure in negotiations in subsequent Ministerial Meetings after Doha. This setback is due to the negative state of readiness of developing countries to make further offers and the inconclusive Ministerial Meetings. The crux of the liberalization issues is to open up the domestic services market to foreign suppliers without any barriers. The negotiations on the level of market access are subject to several conditions, which include;

- Percentage limit on foreign equity;
- Whether foreign services suppliers are allowed to establish commercial presence independently or only through joint ventures with local firms; and
- Limitation on number of foreign personnel allowed providing services.

The WTO has become a household word now. We frequently hear and see debates on the matter in the mass media. Suddenly it attracts an astounding interest among the public at large. The attention has been due to the publicity of the public demonstration against the organization whenever a meeting is being held in any part of the world. The collapse of Fifth WTO Ministerial Conference in Cancun in September 2003 reaffirms the unwillingness of the developed nations to accede to their commitments on agriculture subsidies which put the developing countries in disadvantaged positions. The protestors are right about the fact that inequalities have grown even faster with technologies and globalization. The global economic collapse that was due to deregulated regime in the financial sector is also the attribute of globalization and liberalization.

At the moment the Malaysian commitment with respect to the Architectural services (similarly to engineering services) reflects the current practice, where there is no restriction for cross-border and consumption abroad. The limitation to the practice of providing the services is that the works have to be authenticated by the domestic licensed professionals. On selected basis the foreign consultants may be given temporary registration to supply services. In most jurisdictions architectural services are provided by licensed or registered professionals and regulated by authorities to protect public interests. In Malaysia the profession is governed by the Architects Act and the Uniform Building By-law. This is the main reason any foreign consultants who want to supply their services must collaborate with local licensed professionals in Malaysia. The Architects Act is currently being reviewed to allow for a more liberal regime where majority equity ownership for foreign entities in line with the ASEAN Framework of Agreement on Services (AFAS).

The requirement for licensing in all jurisdictions is subject to the rules and laws of that territory. There has already been a tacit understanding among the community of architects worldwide to observe the code of practice, which gives due regard to the domestic laws, code of conduct, social, and environmental limitations. The work of the UIA Professional Practice Commission on the UIA Accord on Recommended International Standards of Professionalism in Architectural Practice has brought this to the forefront for adoption by the world architects. However it has not been recognized by the WTO as it is an NGO. UIA is currently working on developing a liaison with the WTO secretariat.

INTERNATIONAL UNION OF ARCHITECTS (UIA)

The International Union of Architects (Union International des Architects or UIA) was founded in 1948 to unite the architects of all countries in a federation of their national organizations. The UIA now represents some 1,300,000 architects in 124 countries and has a mission to represent all architectural organizations and individual architects of different countries, with parallel non-government organizations of other disciplines, and with intergovernmental institutions.

The product of architecture is one of the most visible results of the architectural profession globally. It is also recognised that the mobility of the services have been enhanced with the readily accessible services of the internet which makes the first two modes of supply namely, cross-border and consumption abroad completely liberal. Accordingly, the UIA through the Professional Practice Commission (PPC) established 1994 formulated, the “UIA Accord on Recommended International Standards of Professionalism in Architectural Practice” (the Accord) and seven related Accord policy guidelines. The Accord contains a statement of principles of professionalism and a series of 16 policy issues in a format of definitions and background statements followed by policy statements. It is an advisory document that is the result of the co-operative effort of the international community of architects to objectively establish standards and practices that will best serve community interests. This is the first time the profession of architecture has adopted a global standard.

Recognising the global nature of the profession and in response to the General Agreement on Trade in Services (GATS) and the World Trade Organization (WTO) the UIA had included in the Accord a Policy on Practice in Host Nation. It states that

Architects providing architectural services on a project in a country in which they are not registered shall collaborate with a local architect to ensure that proper and effective understanding is given to legal, environmental, social, cultural, and heritage factors. The conditions of the association should be determined by the parties alone in accordance with UIA ethical standards and local statutes and laws.

What it means is that foreign Architects are not encouraged to set up independent practice with 100% equity but to collaborate with the local counterpart. The stringent licensing requirements of the profession also require the Architect to be a permanent residence in the host jurisdiction. Commercial presence is applicable provided that the Architect is present to assume the liabilities under the local statutes. The liberalization of the practice of architecture must recognize the sovereign right of each jurisdiction to establish its professional standards at whatever level it deems appropriate for the environmental, social, cultural, public health, safety, and welfare interests of its citizens.

The UIA council meeting in Sydney on 17th -18th January 2010 approved the insertion in the Practice in Host Nation guideline as proposed by Douglas Steild, CO-Chairman of PPC;

“When practicing in a host nation, the foreign architect should either be registered in that country or should enter into a contractual relationship with an architect duly registered in the host country”.

UIA AND WTO

On 5th October 2009 the UIA was for the first time invited to be represented at a meeting of the WTO’s Council for Trade in Services. UIA representative, Mr. Russell Kune, a former Director of the UIA Professional Practice Commission presented the state of the architectural practice internationally and the achievements of UIA PPC in developing the Accord on Recommended International Standards of Professionalism in Architectural Practice. The WTO representatives have a lot to learn about private sector architectural services. This is due to the fact that communication to the WTO has to be done by government and not NGO’s. The UIA was able to circulate to the entire WTO membership a statement of its interest in, and accomplishments related to, the General Agreement on Trade in Services and their 2006 document “Draft Disciplines on Domestic Regulation in the Architectural Sector”. There was a positive acknowledgment of the accomplishment by UIA and closer liaison with WTO secretariat is expected in future.

UIA hopes that Member Sections would forward their comments and progress on their country’s commitment on GATS for compilation into a UIA document. This will form a basis for reference for WTO member countries in their future negotiations or Mutual Recognition Arrangement particularly on Architectural services.

The process of liberalization needs to be done progressively. This shall take cognizance of the need to recognize qualifications and training in line with the Accord policies. Invariably the step toward opening up the market for services has to be initiated by a Mutual Recognition Arrangements among jurisdictions. This practice has been adopted between USA and EU (ACE, NCARB & AIA) in 2005, ACE & RUSSIA, ACE & MEXICO. It would be unwise to completely liberalize without deliberating the reciprocity pertaining to the qualifications of the professionals involved.

UIA’s mission is also to deal with the global challenges with regard to the built environment. Among the many work programs it conducts are sustainability and renewable energy sources, urban expansion and disaster management, intermediate cities and world urbanization, architects and society, health, tourism, cultural identity and heritage. Following the UN Climate Change Conference in Copenhagen, on 7 to 18 December 2009, the UIA is committed to reducing, or reversing, the negative impact of the built environment on the global climate. At the UN Climate Change Conference in Copenhagen (COP 15) the UIA is initiating its Sustainable by Design strategy, which will lead to the adoption of practical programs at the UIA World Congress and General Assembly in Tokyo in 2011. PAM has responded well in

promoting the Green Building Index (GBI) to inculcate not only the awareness of sustainability but also to respond to the new benchmark for rating architecture and the built environment.

APEC Architect

The first APEC Architect project meeting, chaired by Australia, was held on 17-18 September 2001, in Brisbane Australia. The meeting was attended by delegations from Australia, the People's Republic of China, Hong Kong China, Japan, Malaysia, New Zealand, Papua New Guinea, the Philippines, Chinese Taipei, Thailand and the United States of America.

The aim of the APEC Architect Project was to establish a mechanism to facilitate mobility for architects for the provision of professional architectural services in participating APEC economies. Architects who meet the criteria set out by the relevant authority may ultimately apply to be listed in the APEC Architect Register.

This will be achieved through the identification of an agreed common sequence and elements in the education, training and assessment of architects as qualified to be registered to provide professional architectural services in the home economy, consisting of:

- a) An agreed accreditation or recognition procedure for education programs in architecture;
- b) An agreed minimum period of postgraduate practical experience, with specified prerequisites;
- c) The fulfillment of registration, licensing or other requirements for full professional recognition; and
- d) An agreed minimum period of professional practice as a registered or licensed architect, with specified prerequisites.

The Central Council was formally established in Tokyo on 1st June 2005 and the launched of the APEC Architect register by the respective Monitoring Committees was in September 2005 with the following pronouncements.

Application for Registration

The Monitoring Committee of each economy is responsible for all matters connected with the registration of APEC Architects within that economy. It undertakes the assessment of applications for APEC Architect registration and the evaluation of individual records of professional experience.

Application for registration as an APEC Architect should be addressed to the Monitoring Committee of the economy in which the applicant resides permanently and has primary registration / licensure as an architect (the 'home economy'). It must be accompanied by a completed 'Record of Seven Year Period of Professional Experience as a Registered / Licensed Architect', supported by appropriate references. In some circumstances candidates for APEC Architect registration may be required to attend an interview. (An assessment fee determined by the Monitoring Committee will be payable on application)

APEC Architects will be issued with Central Council Certificate of Registration and APEC Architect Identification Cards on admission to the APEC Architect Register, to verify the currency of their registration and to facilitate access to independent practice in other participating economies.

Eligibility for Registration

APEC Architect registration applies only to individual persons. To be eligible for admission to the APEC Architect Register, candidates must demonstrate to the Monitoring Committee of their home economy that they:

- have completed an accredited/recognised program of architectural education;
- have fulfilled the necessary pre-registration experience requirements;
- are currently registered / licensed as architects in their home economy;
- have gained at least seven years of professional experience as an architect in specified categories of practice;
- comply with continuing professional development obligations prescribed by the home economy regulatory authority;
- are bound by a home economy code of professional conduct.

The impact of the APEC Architect registration is yet to be seen as it is still at its formative stage. The main obstacles are related to the varying domestic rule and regulations on registration/licensure for architects. Recognizing this complexity, the Central Council chose to adopt the APEC Architect Reciprocal Recognition Framework based on a progression of liberalization regimes toward complete mobility.

ASEAN Framework Agreement on Trade in Services (AFAS) – ASEAN Architect

In addition to the cooperation that we hope to achieve through the APEC Architect grouping, we had also established the ASEAN Architect registration. The ASEAN Member states have also made additional commitments under the ASEAN Framework Agreement on Services known as GATS plus. On 15th December 1995 the ASEAN Framework Agreement on Services was signed by the Governments of the Member States with the objective of expanding the scope of liberalization beyond the commitments made by ASEAN under GATS and toward the realization of ASEAN Economic Community. Several meetings of the sectoral working groups in the Coordinating Committee followed on Services (CCS) that established protocols and timelines for the liberalization targets for the various services sectors. The current targets for foreign equity participation among ASEAN Member States are as follows:-

30% by 2006
49% by 2008
51% by 2010 or 2012
70% by 2015

However these targets have yet to be achieved as some Member States are still in the process of reviewing their respective domestic regulations or installing appropriate regulatory authority for the architectural services sector. Malaysia has announced that she is moving forward at allowing 100% participation by 2012.

On 27th November 2007, our ASEAN Economic Ministers signed the ASEAN Agreement on Mutual Recognition Arrangement (MRA) on Architectural Services, to facilitate the mobility of professionals within ASEAN and enhance information exchange in order to promote best practices on standards of architectural education, professional practice and qualification. Several meetings of the Expert Group on

Architectural Services over the last few years culminated with the establishment of the ASEAN Architect Council, whose main functions include; maintaining a Register of ASEAN Architects (AAR), promote strategies toward the reduction of barriers to practice by AA and generally monitor the successful implementation of the MRA. Hence on 30th June 2009 the ASEAN Architect Council was inaugurated in Bagan, Myanmar. Malaysia was chosen as the Secretariat and Chairman for a 2 year term. The first ASEAN Architect Congress was held on 1st - 4th July 2010 to network, talk about design, innovation, creativity, green technology and sustainability in Kuala Lumpur.

The APEC Model has been adopted in the ASEAN Architect register in view of a number of Member States are also within the APEC region and to avoid duplication. Hence the qualification requirements are also similar.

For a long time we have been dependent on technologies from the west. Today Asian advancements are being sought after. Certainly this 21st century is Asia's century. We will attain greater heights if we cooperate with a shared vision to make ASEAN and Asia a developed region and continent respectively, but sustainable. As a start, each of the participating Member States shall register their Architects who meet our prerequisite as ASEAN Architects. This will facilitate them to move across borders to practice as the Professional Regulatory Authority of the respective ASEAN country duly recognizes their qualifications. The registration of the ASEAN Architect shall be done through the respective Monitoring Committee of each of the participating Member State. To strengthen the spirit of cooperation, the foreign architect will collaborate with the local or hosting Architect.

MALAYSIAN EXPERIENCE

The Malaysian Institute of Architects (PAM) and the Board of Architects Malaysia work hand in hand in to deal with the issues on globalization and liberalization of the architectural services. Through its Joint LAM-PAM International Affairs Committee they engage the Ministry of International Trade and Industry for consultations on all matters affecting architecture services liberalization and negotiations. Apart from covering WTO, APEC and ASEAN, LAM-PAM are also consulted on the Free Trade Agreements negotiations. Several road shows and seminars have been held to specifically appraise architects on globalization, liberalization and capacity building for services export.

The Pertubuhan Akitek Malaysia (PAM) has been conscious of globalization and particularly the need to export architectural services, especially with the property downturn during the lean period and the proliferation of foreign architects during the boom period. PAM has been most vocal in its reaction against the activities of foreign architects and other consultants who have been practicing illegally in the country without registration. These practitioners have managed to flout the law through collaboration with local client organizations and professionals. This is perhaps the biggest hurdle that the sector has in trying to build up its capacity. With the liberalization policy of the government that may allow foreign equity of 100% in 2012 in the services sector, the Architect Act is being reviewed to legitimize the practice of foreign architects in collaboration with local architects. In the mean time local architects are encouraged to hone and develop their skills to be world-class architects and service providers.

Protective stances toward their respective domestic markets are prevalent in most countries. It will be difficult to expect that the foreign countries will willingly open their markets to Foreign Service providers without a fight or trade-offs. Therefore a concerted effort by the government, corporate entities and the professionals to execute our export plan is necessary. The National Professional Services Export Council (NAPSEC) was formed to address this matter. NAPSEC represents all Professional Service Providers (PSPs) and the relevant government agencies, which govern the conduct and activities of the PSPs with the objective of promoting export of professional services and capacity building.

Correspondingly the Ministry of International Trade and Industry (MITI) coordinates the various bi-lateral agreements on trade including services. In view of the stalled services negotiations at the WTO, the government has proceeded with bi-lateral and regional trade agreements to hasten the liberalization process. Currently Malaysia has concluded Regional FTAs through ASEAN-China, ASEAN-Korea and ASEAN-Australia/New Zealand as well as Bilateral FTAs with Japan, Pakistan and New Zealand. In these FTAs the Architectural services and other professional services are being opened up to allow greater participation by foreign entities. The market access offers at the regional and bilateral FTAs are based on the GATS plus. The revised offer at GATS is as shown in Annex 1.

CONCLUSION

Today, the world is facing major crises: political, environmental, climatic, financial and social, all of which have to do with our survival on this planet. We have to seek creative and innovative answers to all of them. For us architects, planners and designers, it presents a challenge to arrive at new technological, economic, social, political and environmental solutions.

We are working in a virtually borderless global market. Our products must respond to the desires of **international** consumers, corporations and citizens. It does not mean that we have to sacrifice our national and cultural identities in our endeavour to be a fully developed nation. Liberalization is imminent as the demand for excellence is growing among the end users. We will see the increase of foreign technologies and expertise in our practice. The developers/clients are not going to be easy on us, as they will demand the best at competitive rates. They have the whole world at their disposal to get the best.

Our domestic statutes and regulations that are supposed to be protecting our “rice bowl” are going to be reviewed to allow mobility of the profession across borders. The Competitive Rule as an example in the EU and US strictly prohibits the mandatory scale of professional fees. It is imperative that we have to enhance our capacities and capabilities to be world class and equally competitive. We have to establish training programs and systems for practicing architects to supplement the training that we got at the universities. Compulsory CPD training and acquiring new skill sets such as green technology, ICT, BIM, etc are the few examples.

END

Dato Sri Ar Esa Mohamed.
Akitik Jururancang Malaysia

Annex 1

Malaysia's Revised Offer on Architectural Services 31 January 2006

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
d. Architectural services (CPC 8671)	<p>1), 2) None</p> <p>3) (a) Architectural services may be supplied only by a natural person (b) For multidisciplinary practices (Architecture, Engineering and/or Quantity Surveying)², foreign equity up to a maximum of ten (10) per cent for joint ventures by professionals who are registered in the country of origin. Foreign Directorship is not allowed.</p> <p>4) Unbound except as indicated in the horizontal section and, in respect of 2b) only an architect who is a consultant to a project wholly financed by a foreign government or implemented under a bilateral arrangement between governments subject to temporary registration for a period of one year per temporary registration in collaboration with a Malaysian professional architect for wholly foreign funded projects.</p>	<p>1), 2) Architectural services must be authenticated by a registered architect licensed professional architect in Malaysia</p> <p>3) (a) None (b) Unbound</p> <p>4) Unbound except for the categories of natural persons referred to under market access.</p>	<p>4) The qualifying examination to determine the competence and ability to supply the service for the purposes of registration with the professional bodies will be conducted in the English language.</p>

² While a multidisciplinary practice can comprise architects, engineers and/or quantity surveyors, for the purposes of this offer, it does not include quantity surveyors.