



UNCTAD XIII

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

DOHA - QATAR 21-26 APRIL 2012



SPECIAL EVENT

GLOBAL SERVICES FORUM

19 APRIL 2012, 9 a.m. – 12 noon and 3–6 p.m.

BACKGROUND

The services sector has gained increased importance over the last decade, contributing a growing share to gross domestic product (GDP) and employment. The services sector, particularly infrastructure services, is not only important in its own right, but can also help improve efficiency and competitiveness in all sectors of the economy, as services constitute essential inputs to many other products and services. The sector generates opportunities for greater income, productivity, employment, investment and trade, and also contributes to the achievement of the Millennium Development Goals by providing essential services including health, education, energy, transport and telecommunications. Services also play a major catalytic role in the expansion of global supply chains. While the services sector has matured in developed countries, where it currently accounts for over 70 per cent of GDP and employment, it is the new frontier for developing countries, where the share of services in GDP and employment remains at 50 per cent and 35 per cent respectively. Positively integrating developing countries – especially the least developed countries and small economies – into the global services economy and increasing their participation in services production and trade is essential.

Services trade is a vibrant component of world trade. World trade in services has been growing dynamically, at an average annual rate of 14 per cent between 2000 and 2008. Services trade has proved to be relatively resilient to the recent financial and economic crisis and has contributed to the recovery. The share of developing countries in world services exports increased from 23 per cent to 30 per cent between 2000 and 2010. Several developing countries have been successful in reaping sizable developmental benefits from services trade, by exploiting areas such as movement of natural persons, outsourcing of ICT-enabled business services, construction and tourism. Modern exportable business services that exhibit strong economies of scale and externalities and absorb highly skilled labour have grown at a faster pace recently, thereby presenting a realistic opportunity for structural transformation and economic diversification.

Despite the significant potential of the services sector for inclusive and sustainable development, many developing countries face challenges in reaping the benefits of services trade for development, owing to their weakness in supply capacities. Maximizing the positive contributions and pro-development outcomes of the services sector – particularly of infrastructural, business, financial, education, ICT and outsourcing services – requires good regulation and institutions capable of promoting domestic supply capacity. It also requires a competitive environment and sustained trade and investment flows.

Building productive capabilities in services and enhancing export competitiveness requires a comprehensive, integrated and coherent strategy of growth, development and trade, with close coordination with accompanying policies. Effective regulatory and institutional frameworks allow governments to pursue multiple public policy goals. Coherence with sectoral development planning and public and private investment policies is thus important in ensuring the orderly operation of services markets and in building productive capacities. Optimizing regulatory and institutional frameworks to address the diversity of suppliers (i.e. state-owned, private and public-private) has become a major issue.

Regulatory and institutional frameworks need to be adapted to individual countries' specific needs and circumstances. This requires sound and sustainable regulatory and institutional capacity at the national level. Adequately designing the content, pace and sequence of national policies and regulations, trade liberalization and regulatory harmonization and equivalence represents a key challenge for building viable services sectors. The ongoing multilateral and regional trade negotiations and agreements relating to

services therefore require focused attention, as do cooperative frameworks on services. There is a need for a new vision for the way forward to conclusion of the stalled Doha Round, and new approaches that can contribute to producing pro-development outcomes. In this connection, UNCTAD has undertaken pioneering work on services and trade in services.

PURPOSE

The Forum will bring together ministers and high-level policymakers, business leaders, coalitions and associations of services industries, international organizations, services regulators, researchers, and other stakeholders to address the growth and employment potential of services sectors. It will deliberate on new strategies for building services productive and export capacity, and for removing barriers to services trade. It will promote the sharing of experiences and lessons learned to identify successful and innovative best-fit policies to sustain global recovery in the post-crisis period and to promote inclusive development. It will contribute to the creation of new services partnerships (South–South, North–South and triangular, as well as public–private) and coalitions of services industries. The Forum’s discussions will also provide guidance to the future work of UNCTAD in the area of services.

OUTCOME

- (a) New ideas on strategies to strengthen the development impact of services sectors, and to drive forward the global services trade agenda;
- (b) Greater clarity on twenty-first century issues in the services sector: such as the important role of services in global value chains; financial, business, infrastructural and ICT services (including the digital economy); and employment creation;
- (c) Enhanced awareness on the importance of supportive policy, regulatory and institutional frameworks and multi-stakeholder approaches;
- (d) Identification of policy measures to foster increased trade in services, to build services productive and export capacity, and to remove barriers to services exports particularly from developing countries;
- (e) Creation and strengthening of new services partnerships, including coalitions of services industries;
- (f) Identification of possible new areas of work in services, trade and development.

ORGANIZATION

The Forum will bring together leaders in governments and businesses to address new paths and strategies to harness the services economy for economic growth and inclusive and sustainable development. The participants will include ministers, trade policymakers and negotiators, international organizations (including the World Trade Organization, the Organization for Economic Cooperation and Development, the World Bank, the Secretariat of the African, Caribbean, and Pacific Group of States, and the Commonwealth Secretariat), business leaders, and Talal Abu-Ghazaleh International, as well as coalitions and associations of service industries (including the China Association of Trade in Services, the Australian Services Roundtable, the Caribbean Network of Service Coalitions, the Burundi Services Association, and the European Services Forum) and representatives of civil society (including the Arab NGO Network for Development, the South African Institute of International Affairs, and International Lawyers and Economists Against Poverty).

The **sponsors and co-organizers** include Talal Abu-Ghazaleh International, the Commonwealth Secretariat, the China Association of Trade in Services, the Australian Services Roundtable, the European Services Forum, the Caribbean Network of Service Coalitions, associations of services industries, and the Arab NGO Network for Development.

AGENDA

The discussion at the Forum will address the following thematic issues:

- (a) Services, productivity and competitiveness
- (b) Trade in services: New growth opportunities
- (c) Services liberalization: Multilateral or regional?
- (d) Twenty-first century services issues
- (e) The way forward: Partnerships and coalitions to strengthen services development and trade

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