SERVICES POLICY REVIEWS
REALIZING THE POTENTIAL OF SERVICES

GLOBAL CONTEXT

International trade in services expanded rapidly between 2005 and 2016 – faster than both global gross domestic product and merchandise trade – with total exports increasing from about $2.7 trillion to $4.9 trillion. Developing economies have achieved strong growth in their services exports since 2005, increasing their share of world exports from 23.1 per cent in 2005 to 29.4 per cent in 2016. Developing Asia recorded the sharpest growth.

Services are also essential to the efficient functioning of economies. Services, and in particular infrastructural services, improve value addition, promote employment and facilitate trade in manufacturing and agriculture. The services economy and trade have the potential to induce structural transformation in support of the 2030 Agenda for Sustainable Development. Yet many Governments face challenges in identifying and addressing the services-related needs of the domestic economy and then translating them into policy and negotiating positions, with a view to enhancing the quantity and quality of services output.

UNCTAD assists developing countries to seize the opportunities offered by a services-driven development strategy. UNCTAD developed Services Policy Reviews to systematically analyse the economic, regulatory and institutional frameworks that impact on the services sector of a given country. Services Policy Reviews provide recommendations to policymakers to improve policies as well as regulatory and institutional frameworks and to identify trade policy options that advance national and sectoral development objectives.

HOW ARE SERVICES POLICIES REVIEWED?

UNCTAD carries out Services Policy Reviews at the request of Governments. Each Review includes policy analysis and research, as well as multi-stakeholder meetings at the national level for fact-finding, awareness-raising and consensus-building. Once completed, the Reviews offer policy recommendations for the overall services sector of a developing country and for the specific sectors chosen by the Government.

The recommendations focus on how a country can more effectively expand its services sector, creating jobs and helping to raise living standards. UNCTAD can further assist Governments in the implementation of the policy recommendations presented in the Reviews.
RESULTS AND IMPACT AT A GLANCE

• Following the two Reviews for Uganda, the country developed a national policy on services trade, to ensure competitiveness in the services sector, which was approved by the Cabinet in 2017 for implementation.

• The Review for Bangladesh – the fifth LDC to benefit from such assistance – helped the country formulate pragmatic policies for its emerging services sectors and review opportunities it may pursue under the World Trade Organization waiver to grant preferential treatment to services and service suppliers from LDC members.

• In 2016, the Economic Community of West African States launched a regional services policy review as a tool for developing a common trade policy in services in the region and for identifying regional negotiating positions for the services negotiations under the Continental Free Trade Area and the negotiations on the Economic Partnership Agreement between the region and the European Union.