

UNCTAD Multi-year Expert Meeting on  
**TRADE, SERVICES AND DEVELOPMENT**  
**Water and Sanitation, Energy and Food-related Logistics Services**  
Geneva, 7-8 May 2018

**Presentation of the Background Note**

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# TRADE IN SERVICES FOR INCLUSIVE AND SUSTAINABLE DEVELOPMENT:

## Water & Sanitation, Energy services and food-related Logistics



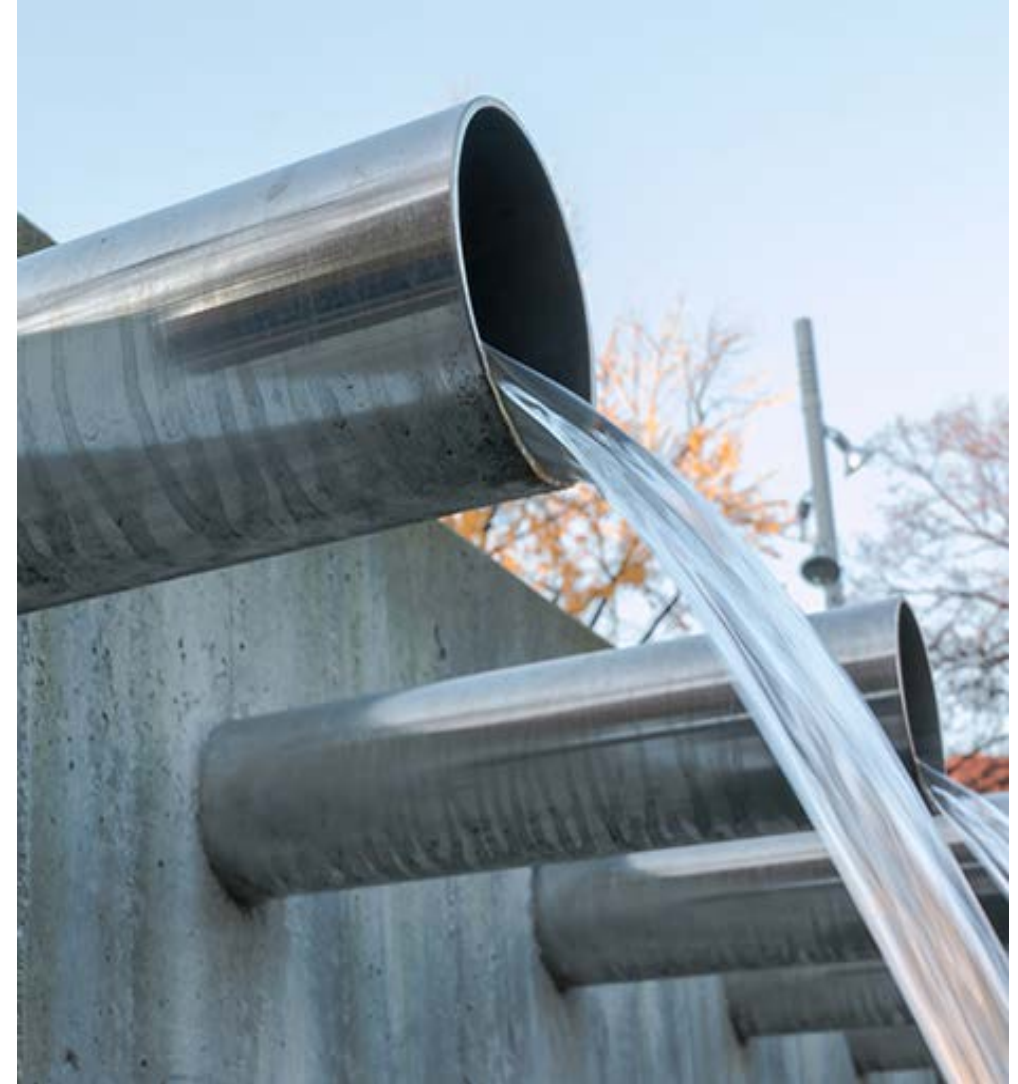
# The goal of this meeting

Ensure trade in water & sanitation, energy services and food-related logistics help **achieving the SDGs**



# Trade in Water & Sanitation Services

- Several models exist for the supply of water services (Government only or PPPs)
- International trade has an increasing role in services related to water distribution & management, particularly environmental services
- Commercial presence is the main provision method
  - most firms supplying these services are headquartered in developed countries
- A lack of stand-alone classification for statistics makes the collection of data on difficult



# Trade in Energy services



Imports account for over **30%** of global supply



The electricity, gas and water sector is the largest receiver of FDI (**15%** of total greenfield investment in 2016)



Renewables are capturing **66%** of global investment in power plants

# Trade in Logistics services

- Trade in logistics services mainly occurs through commercial establishment
- There is a growing market for outsourced logistics operations
- The third-party logistics market is benefitting from a better use of technology (better processes and lower costs)
- A year-on-year growth rate of 4.4 % is expected for third-party logistics between 2015 and 2022



# Countries efforts to enhance trade in these services take two main forms:



Liberalization commitments at **multilateral** and **regional** levels



Enhanced **regional cooperation**, taking into account countries' specific needs and situations

# Status – water & sanitation services

## Liberalization

- Water distribution is **rarely liberalized** under regional and multilateral trade agreements,
- Sanitation services have been liberalized to some extent in the form of environmental services

## Regional cooperation

- Important for water management and addressing sensitive issues
  - e.g. water allocation, upstream and downstream impacts of water pollution, overexploitation
- Can take different forms (e.g. management of shared water resources, scientific data exchange, financial cooperation)
- Crucial to ensure access to water services and the achievement SDG 6





# Status – energy services

## Liberalization

- Energy services do not exist as a sector *per se* in WTO
- Commitments in energy-related services **remain limited** under regional and multilateral trade agreements
- Liberalization is **not enough to foster trade**

## Regional cooperation

- Key to facilitate regional trade in energy and energy services
- Important to address key issues, e.g., such as environmental, accounting and tax regulations
- Key for the achievement of SDG 7



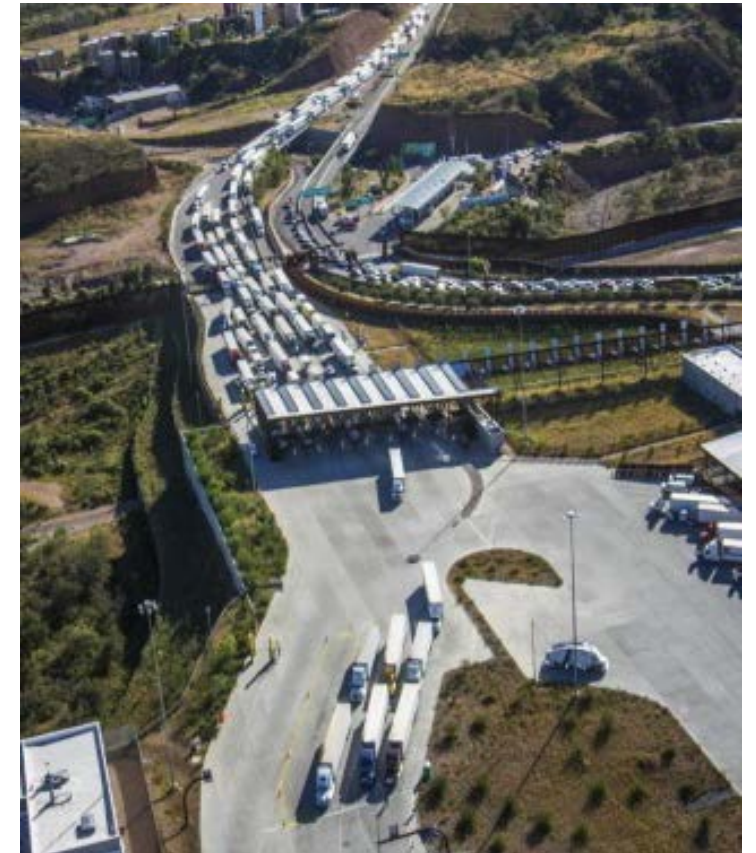
# Status – food-related logistics services

## Liberalization

- There is no logistic services category in WTO classification
- A significant number of WTO members have made specific logistics-related commitments (e.g. air and maritime transport)

## Regional Cooperation

- Can take different forms, e.g, inspection and border crossing procedures; harmonization of phytosanitary and customs controls; reciprocal backhaul on international trucking routes; etc.



# If we are to make a difference for the SDGs...

- Liberalization in any of the services sectors must be combined with:
  - cooperation and coordination,
  - and strengthening of regulatory and institutional capacities
- **And finding better ways to do so is one of the reasons of this meeting.**





Thank you !



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SIXTH MULTI-YEAR EXPERT MEETING ON TRADE, SERVICES AND DEVELOPMENT