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

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