

UNCTAD Multi-year Expert Meeting on  
**TRADE, SERVICES AND DEVELOPMENT**  
Geneva, 18-20 July 2017

**Services Trade Policies and the Global Economy**

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



# SERVICES TRADE POLICIES AND THE GLOBAL ECONOMY

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# Overview

- Why a book?
- Highlights from the book



## Services Trade Policies and the Global Economy





## Why a book

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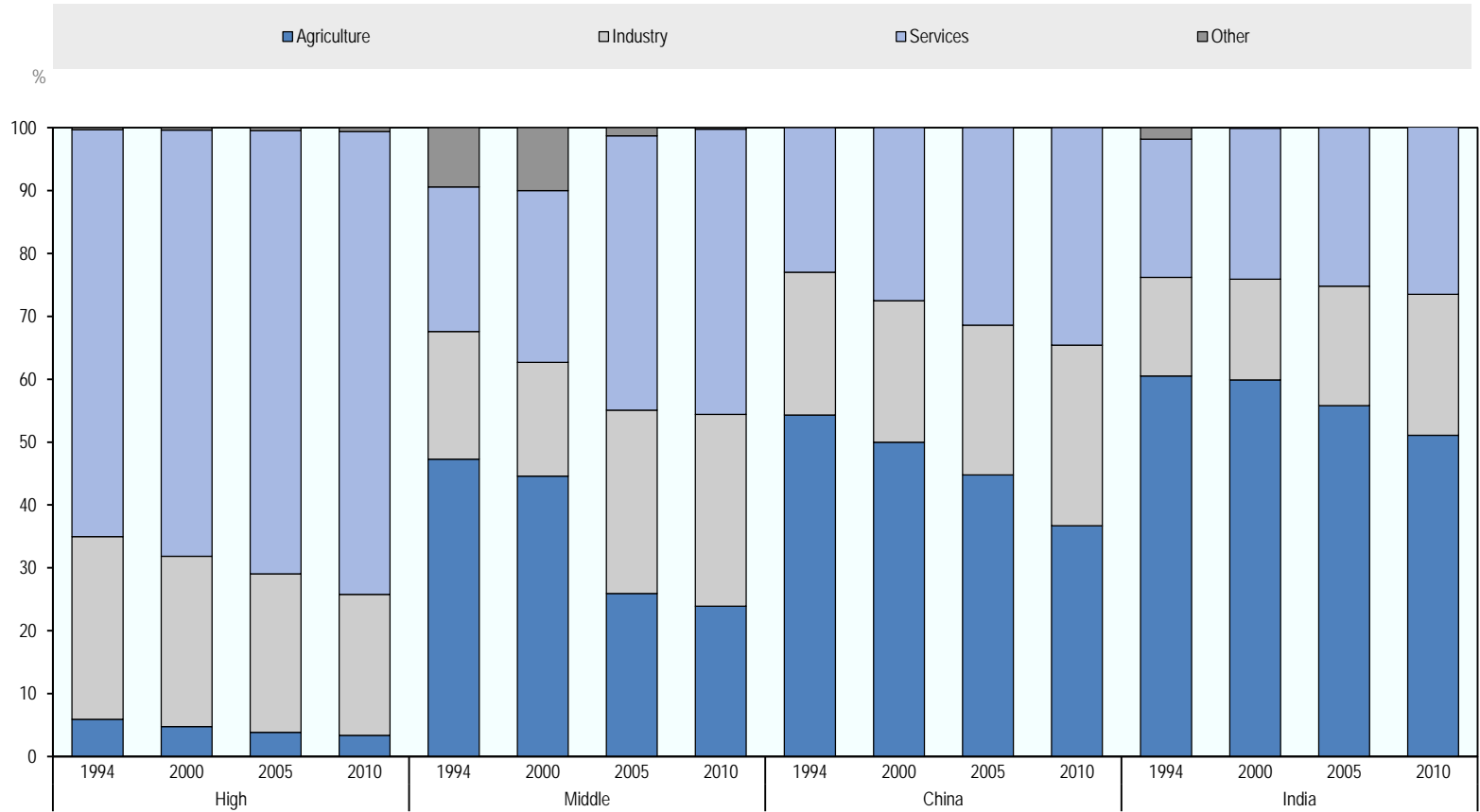
- A tool for disseminating services trade work
  - Accessible to interested readers
  - Position the STRI project in a broader context of recent economic, technology and social development
  - Position the project in the policy debate
- A synthesis of a large amount of work previously presented in
  - 12 OECD Trade Policy Papers
  - A regulatory database covering 44 countries, 22 sectors and three years
  - Country notes, sector notes, contributions to OECD Economic Surveys, country briefs, policy notes



# HIGHLIGHTS FROM THE BOOK

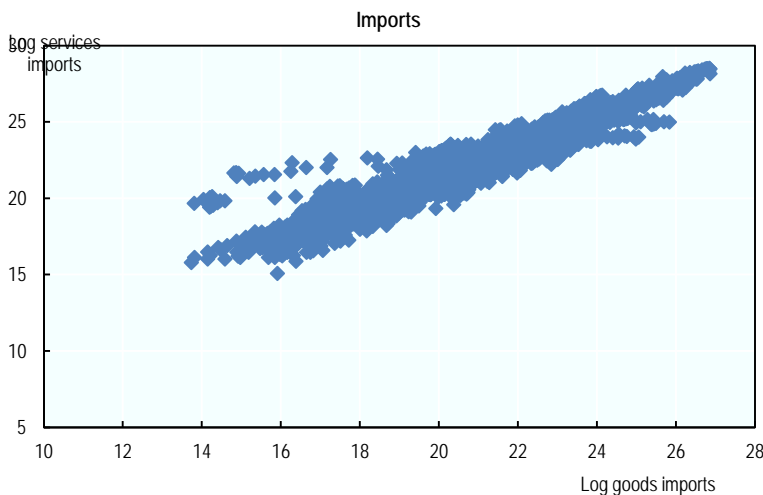
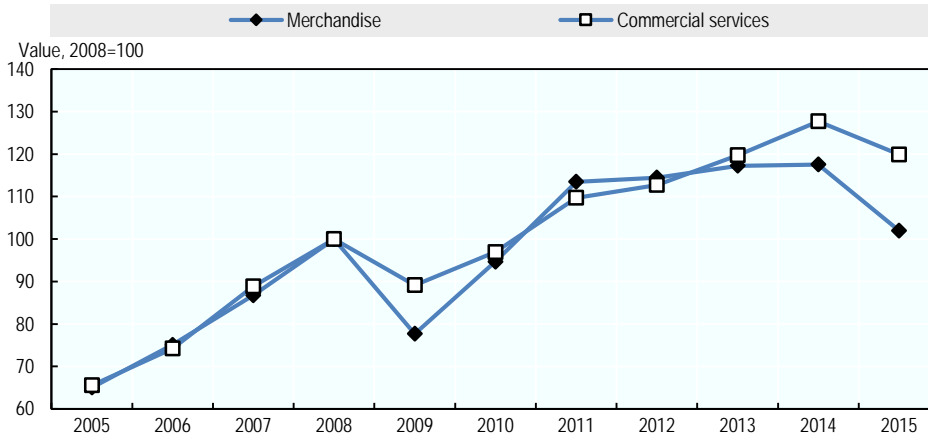


# Context: a rising share of services everywhere (employment share)



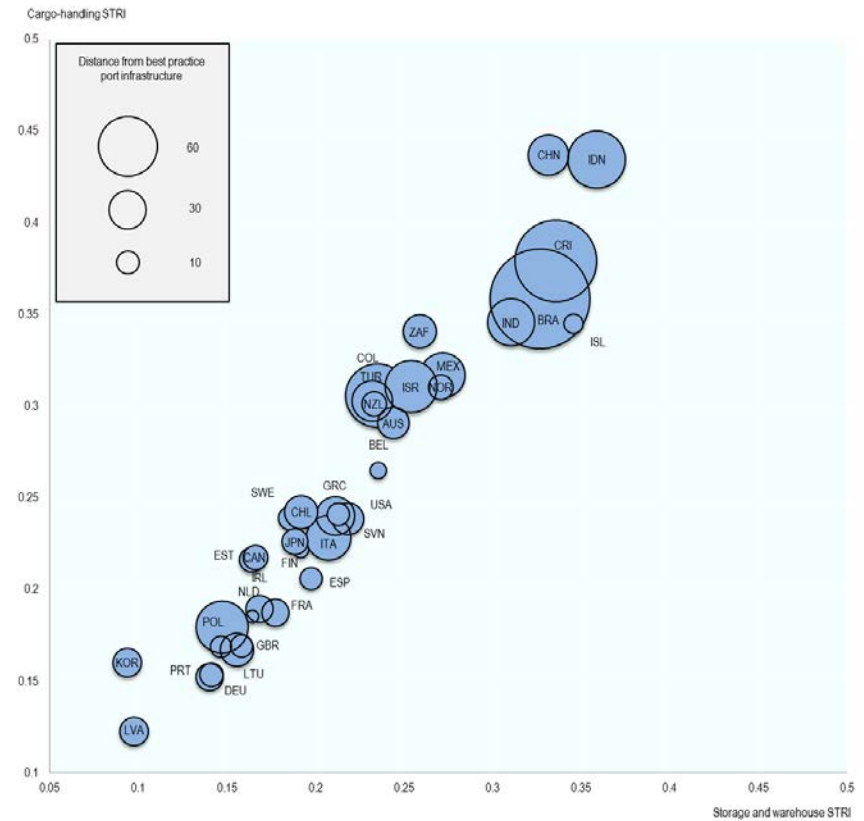


# Context: Goods and services trade complement each other



- As manufacturing production networks become more complex, supporting services become more complex too
- Manufacturing firms are important services traders
- Knowledge-capturing products: a category of its own in SNA
  - Codified and digitised services have similar properties as goods:
    - Storable
    - Repeated use

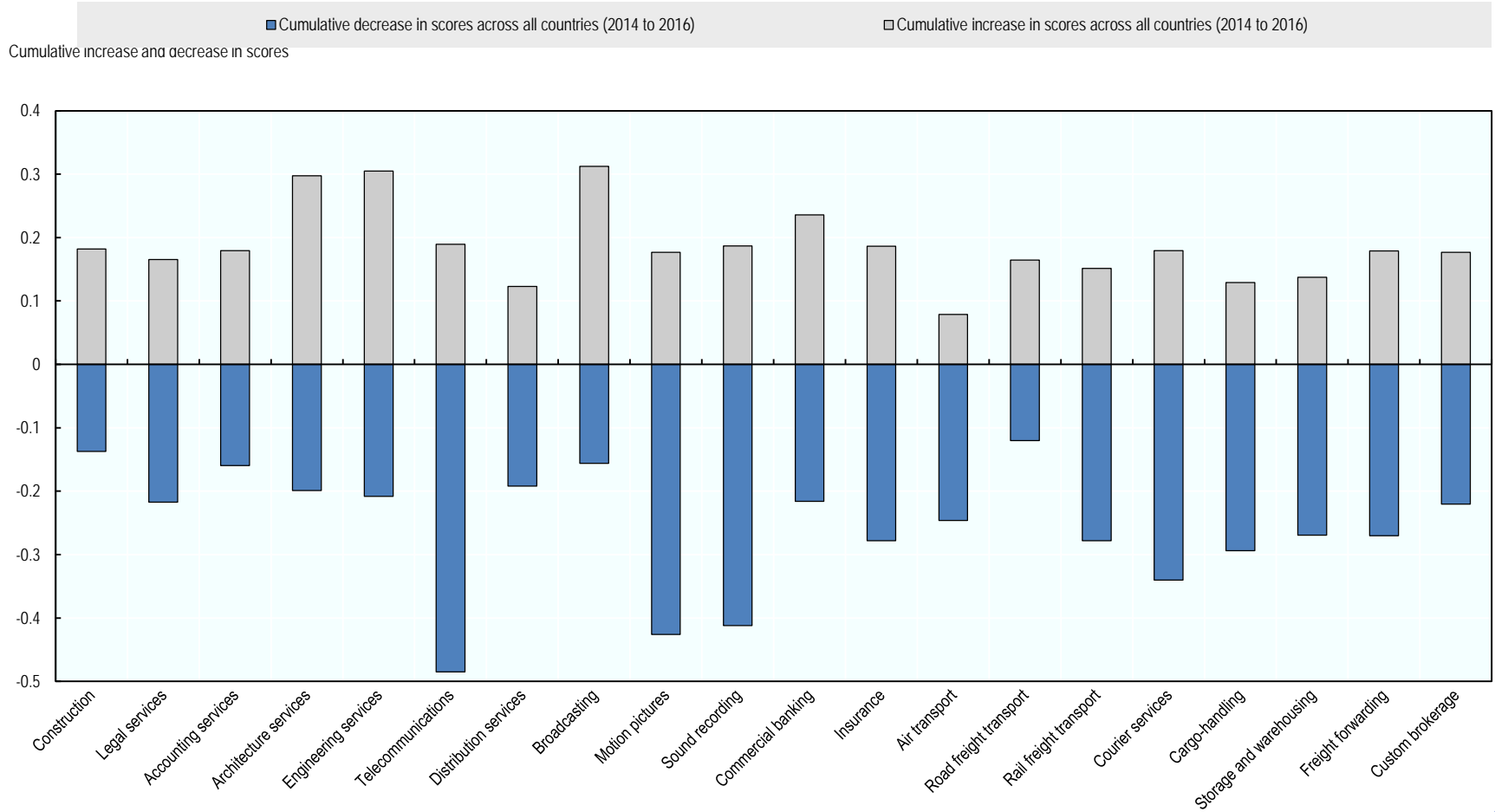
- Develop a narrative from patterns observed in the data
- Group the sectors with a view to understanding their role in GVCs
- Present the STRIs in new ways – focusing on how regulations matter





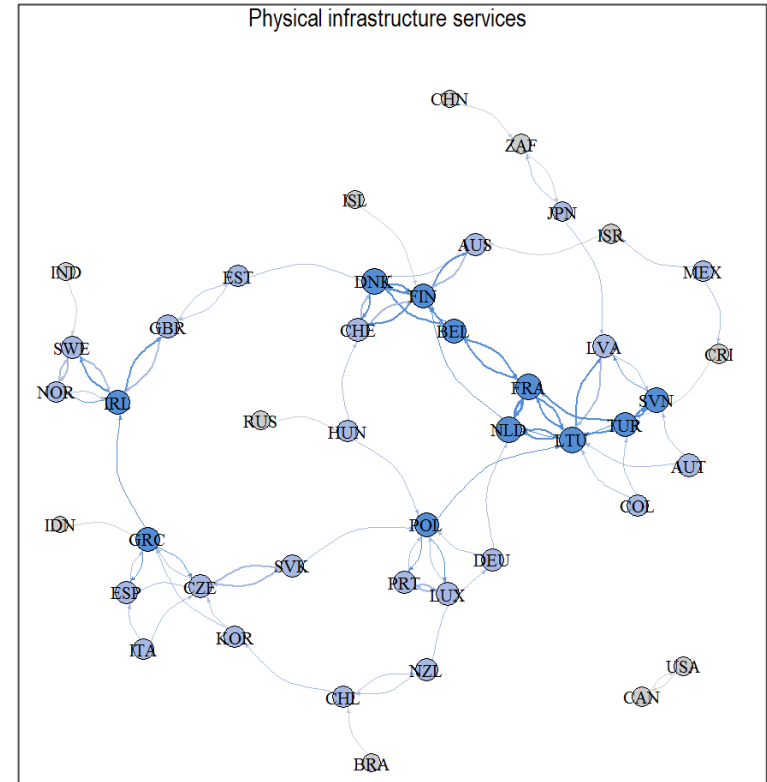
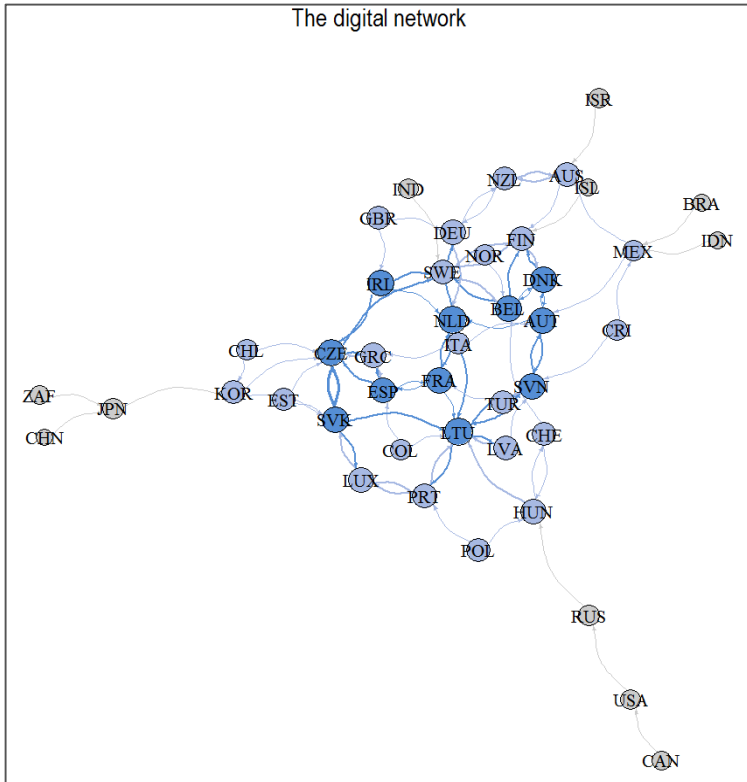


# STRI developments over time





# Regulatory heterogeneity in services

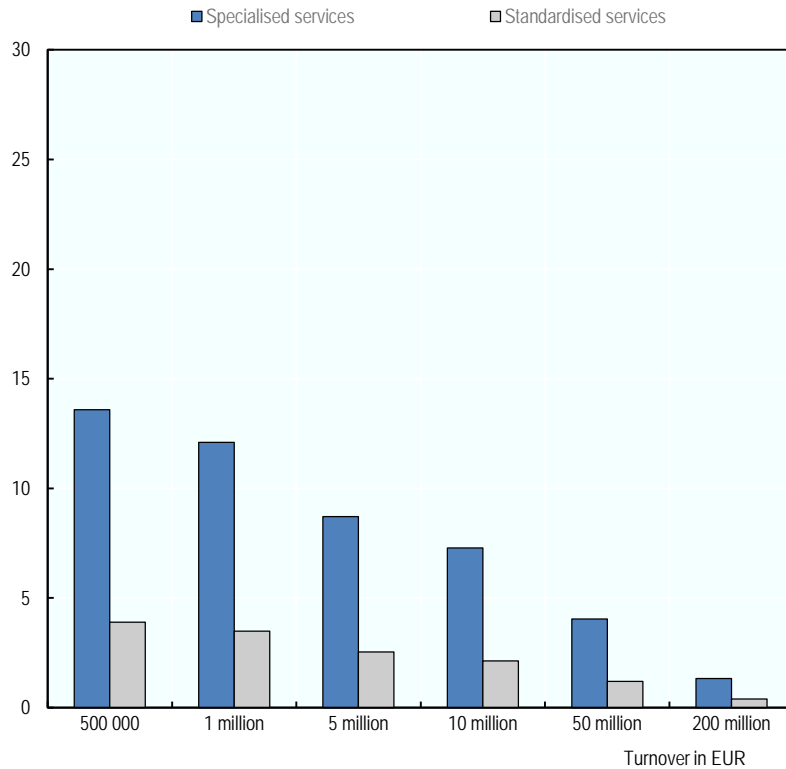




# Impact analysis: trade cost equivalents

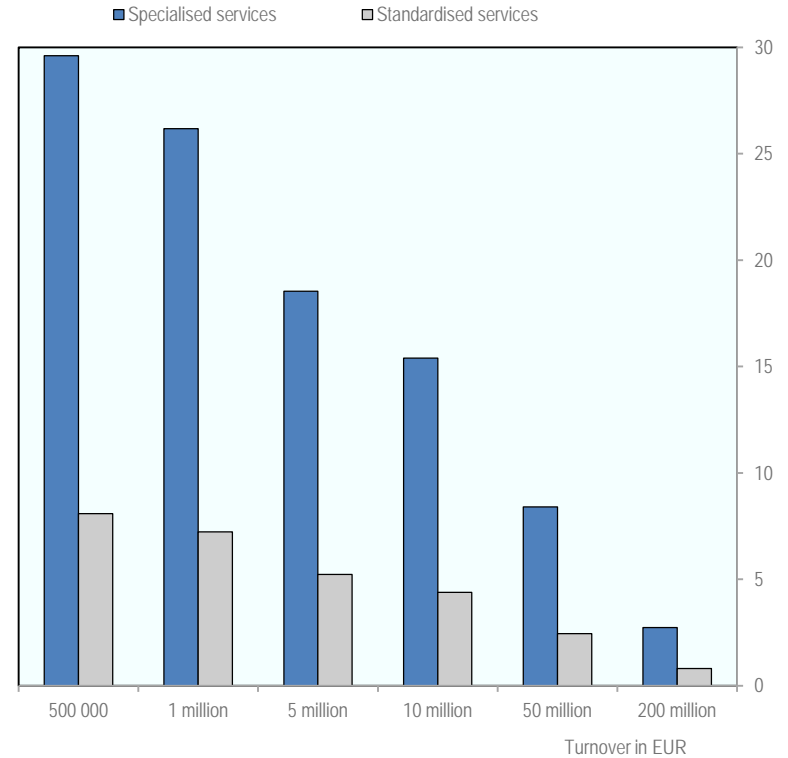
(a) On cross-border exports

Additional tariff equivalent STRI, %



(b) On foreign affiliate sales

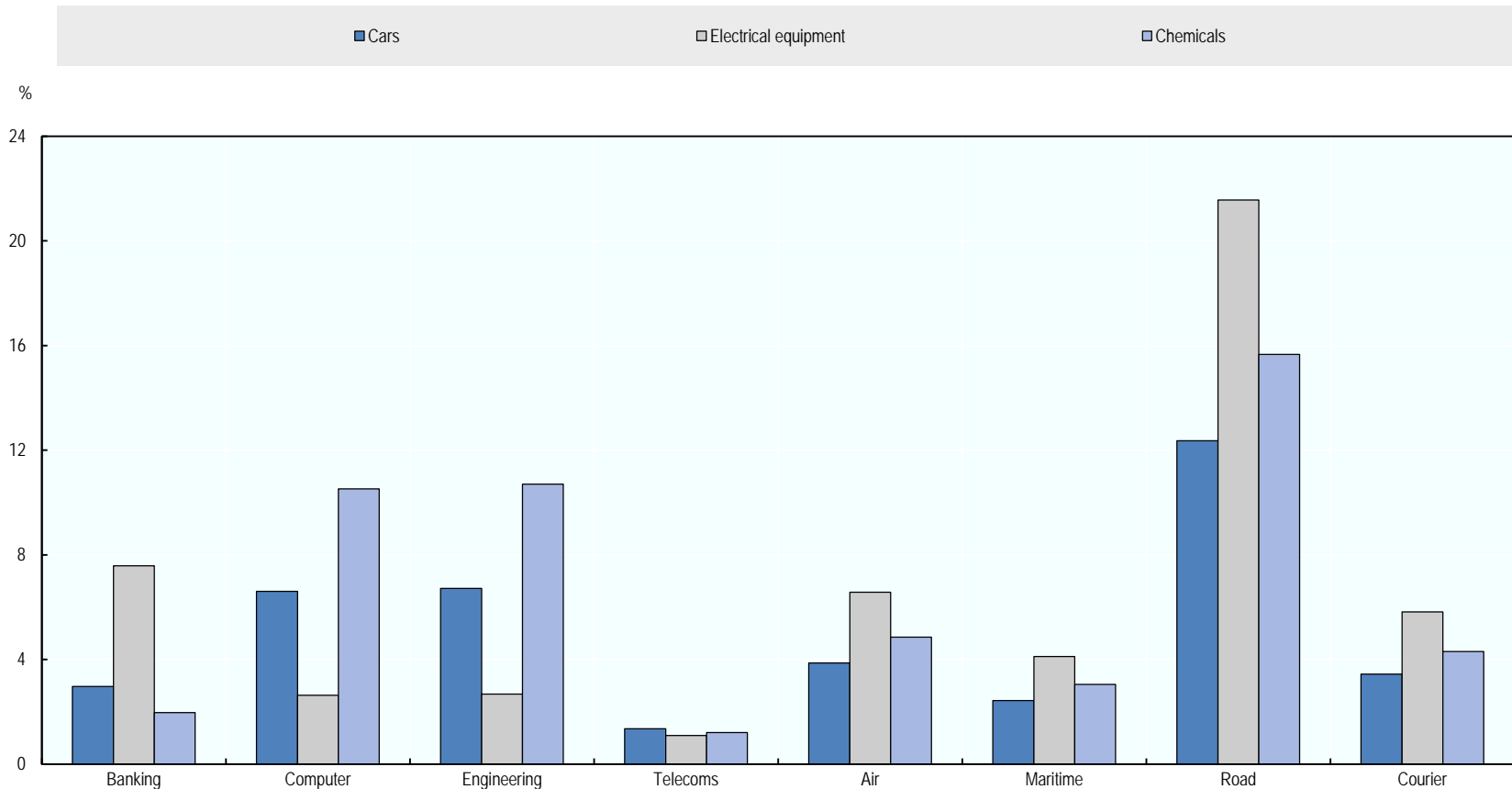
Additional tariff equivalent STRI, %





# Impact analysis: on manufacturing exports

Impact of halving the distance to best practice STRI, average all countries





## Main findings

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- Open and well-regulated services markets help make globalisation work for all
- Open services markets are the gateway to global value chains
- Services reforms boost SMEs
- Regulatory co-operation reduces trade frictions
- Trade in services depends on the movement of professionals
- Trade in services underpins the digital economy
- Trade-relevant regulations should keep up with the digital economy



# Implications for policy making

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- Largest gains if domestic regulation regarding competition and transparency is concurrently improved.
- Regulatory co-operation makes doing business easier for exporters.
- Modes of supply are in many cases complementary
- Opening up services markets would primarily benefit SMEs, which are responsible for the majority of new job creation.
- Services trade costs affect the competitiveness of value chains – and the location of activities along the value chain
- Digitisation leads to changes in market structure:
  - Transforming some services to knowledge-capturing products
  - Changing the way production is organised
- Domestic reforms e.g. related to licensing, permits, qualifications, standards, enforcement of competition policy, enforcement of IPR can reduce trade costs significantly
- Reforming services trade brings benefits for consumers and strengthens domestic productivity and economic performance.



# STRI Suite of Tools

Access the Data

Country: all | Sector: all | Measure: all | Year: 2014

CREATE TABLE

About this database

Interactive Tools

- Compare your country
- Policy simulator

Analysis and Methodology

- Sector notes
- Country notes
- Methodology
- Download all the indices

## Regulatory database

Compare your country

Service Trade Restrictiveness Index

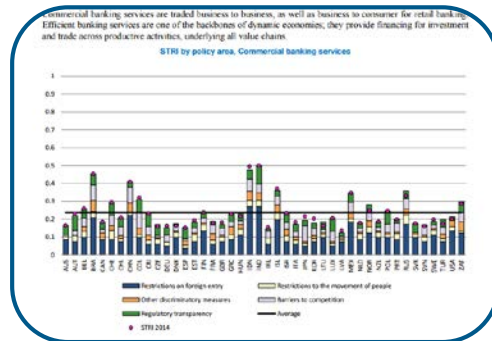
Share of services in total exports (at value-added terms)

## Compare countries

transport for Norway compared to: Choose a country

Measure	Weight	Score	Values
Use 1: Restrictions on foreign entry	Weight: 0.507%	40	0.104
Use 2: Restrictions on movement of people	Weight: 0.00%	0	0.00
Use 3: Other discriminatory measures	Weight: 0.00%	0	0.00
Use 4: Barriers to competition	Weight: 0.070%	30	0.104
Use 5: Regulatory transparency	Weight: 0.00%	0	0.00

## Policy simulator



## Country and sector notes

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# THANK YOU !!

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## Contact us

We look forward to hearing from you!



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