INTERNATIONAL MEETING ON SERVICES VALUE-ADDED IN EXPORTS
Services and trade policies for diversification and upgrading
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SERVICES INPUTS AND MULTILATERAL EFFORTS

Presentation by
Ms. Xiaolin Chai
Director
Trade in Services and Investment Division
World Trade Organization (WTO)
Services Inputs and Multilateral Efforts

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Xiaolin Chai
Trade in Services and Investment Division
WTO
Services sectors as the engine of economic growth and the 21st century globalization

- “Every body is in services”: 145 sessions, 2/3 on services and services trade
- 2019 World Trade report on “Future of Trade in Services”
- Services continue to expand: share of GDP, total employment, women participation and MSMES
- Services trade including supplied through commercial presence has reached USD13.3 trillion in 2017
- Services trade grow faster than trade in goods which is on average 5.4% per year
- Developing countries also witness growth of 10 percentage points since 2005
Future trends of services and services trade

- They will be shaped by four major dynamics:
  - Digitization: faster, easier, cheaper and newer
  - Demographic changes: consumption pattern
  - Rising income: demand for more and better services
  - Impact of climate changes: environmental and related services

- These will bring changes in consumption, business models, new markets and maintain growth.

- Trade in services will take up more than 50% of the world trade in 2040
Services as inputs in global production networks

- The ideas are not new but are more and more recognized and pronounced
- Example:
  - Wine production in Chile of more than 70 services involved
A few takeaways

• The value added along the chains is a “smiling curve”
• The effectiveness of services is “key”
• Sound policies are conducive to harvesting the potential
• Multilateral efforts prevent policy reversal and governance fragmentation
Multilateral efforts to reinforce the national efforts

- GATS: a legal framework and a predictable rule-based environment
- Development related provisions in GATS
- Improve schedule of commitments under GATS
- Further liberalization reinforced by domestic regulatory reform
What’s going on at the WTO

• Trade related Ecommerce, services domestic regulation, investment facilitation, MESMS and Women Empowerment, currently pursued at the WTO

• If delivered will further boost services and services trade and investment

• For services trade related initiatives under discussion, one area of commonality is the focus on the facilitation aspect of trade and investment undertakings
A Brazilian Perspective: A great potential

Brazil: Trade in services per mode of supply
2005-2017

Brazil: services value added in gross exports of non-services industries

- Public admin, education and health; social and personal services
- Other business sector services
- Real estate activities
- Financial and insurance activities
- Information and communication
- Accommodation and food services
- Transportation and storage
- Wholesale and retail trade; repair of motor vehicles
- Construction
Thank You