



## United Nations Conference on Trade and Development

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### Fourteenth session

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## Global Services Forum

### Summary prepared by the UNCTAD secretariat

1. The Global Services Forum was jointly organized by UNCTAD, the United Nations Office of the Special Adviser on Africa and the West African Economic and Monetary Union. In his opening remarks, the Deputy Secretary-General of UNCTAD noted that services had not received the level of attention they deserved in trade negotiations, despite links to many of the Sustainable Development Goals, including with regard to infrastructure development. There were various barriers to trade in services and a comprehensive, coherent and integrated approach to services was therefore needed. UNCTAD was committed to more ambitious work on services and the Forum served as the launching pad for its future work.

2. With regard to exploring innovative approaches to financing the building and maintenance of the sufficient provision of water, sanitation, energy and transport services in developing countries and the least developed countries, one example presented was that of the Secretariat for Central American Economic Integration, which had established an integrated regional electricity market. This market permitted the member States to overcome the challenges of a small economy and population size that prevented investment in the sector, and allowed for reliable access to electricity, including by the poor. In addition, in Indonesia, new financing initiatives such as infrastructure bonds had been introduced.

3. Policies and regulations, including trade policies and measures as well as institutions, needed to be effective and conducive to enable the efficient provision of infrastructure services. The African Union, for example was undertaking an integrated high-speed network to facilitate transport to address high road-freight costs (four times more expensive than in other regions) including, in particular, air transport, in which area the African Union was working towards an African open sky. The establishment by 2017 of a continental free trade area in which services sectors would be liberalized was also a step in that direction. Services negotiations were undertaken on a cluster basis, with seven clusters of services, including transport, already having been determined. In addition, in

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Indonesia, innovative approaches were being undertaken to building infrastructure development, based on the three Cs of capital, capacity and champion. The Government had adopted an institutional strategy by establishing a State-owned company supported by the private sector and by a special committee responsible for infrastructure development.

4. Participants recognized that trade in services had increased, yet services was the sector most discriminated against in global trade. To tap the developmental potential of trade in services for developing countries and the least developed countries, there was a need to undertake facilitation measures for trade in services. Restrictions were found in all modes of services supply. For example, increasingly complex measures such as visa procedures, economic needs tests and the non-portability of social benefits, were applied to the movement of natural persons. Regulatory diversity was another area to be addressed, as regulatory measures hindered, in particular, small and medium-sized exporters of services.

5. All panellists and several participants noted that action needed to be taken at the multilateral level in the World Trade Organization (WTO), and that UNCTAD also had a role in this process. One panellist proposed negotiating an agreement on the Internet economy under WTO, to extend to digital goods and services the same treatment afforded to physical goods and services, and suggested that UNCTAD should establish a multi-stakeholder advisory body for trade in services on the Internet – as electronic trade was the fifth trade mode – to discuss how to facilitate digital trade. Another panellist proposed negotiating an agreement on facilitating trade in services under WTO. Several participants, however, stressed that the facilitation of trade in services could not be addressed through regional trade agreements as, for example, trade in services agreements negotiated between over 20 countries and the Trans-Pacific Partnership Agreement involving 12 countries excluded most developing countries. Several panellists highlighted measures for facilitating cross-border trade, including harmonizing taxes and tariffs, lowering registration and certification costs, improving the entry of foreign capital and improving infrastructures such as for finance and logistics. UNCTAD comprehensive work on services, including services policies reviews for developing countries, was widely recognized by the participants, and requests were made for continued support from UNCTAD.

6. The Under-Secretary-General of the United Nations and Special Adviser on Africa opened the session on tourism by emphasizing the powerful role of tourism as a vehicle for harmony among nations, inclusive growth and sustainable development. In Africa, tourism had improved the livelihoods of millions of people through the generation of decent jobs and other means. For example, in Kenya, every safari conducted by a tourist sponsored one local child's schooling, which was a meaningful way to break up the poverty cycle.

7. Participants strongly supported tourism-facilitating measures that promoted tourism by enhancing existing policies and frameworks to leverage diverse natural capitals and cultural heritages. Freeing the movement of people and lifting travel bans were of paramount importance for the development of the tourism industry, and it was imperative to implement the Yamoussoukro Decision of 1999, which called for African countries to commit to deregulating air services and promoting regional air markets for transnational competition. Other measures suggested included facilitation of the movement of people across countries, such as through the African passport launched at the twenty-seventh African Union Summit. Promoting peace and stability would help enable a thriving tourism sector and increase youth employment, and the international community needed to show solidarity when developing countries suffered from terrorist attacks, to help mitigate the negative impact of such attacks on tourism, which reduced the ability of the sector to provide jobs for youth. National Governments needed to promote inclusive and quality education, gender equality and women's empowerment, as they contributed to poverty reduction through increasing job opportunities. Investment-friendly measures – for

example, guaranteeing returns on investments through consistent policies – needed to be implemented, to boost investments. With regard to tourism operators, there was a need to be forward-looking and innovative in order to avoid stagnating in the industry.

8. All speakers emphasized the need to include tourism in national development strategies, promote regional integration to facilitate intra-African tourism and establish, both nationally and regionally, a multi-stakeholder tourism governance system. Development partners were requested to consider tourism as a tool for supporting the achievement of sustainable development and inclusive growth in Africa.

9. The *Services Policy Review of Bangladesh* was launched at the Global Services Forum, and UNCTAD and the World Tourism Organization signed a memorandum of understanding to strengthen cooperation and collaboration in work related to tourism.

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