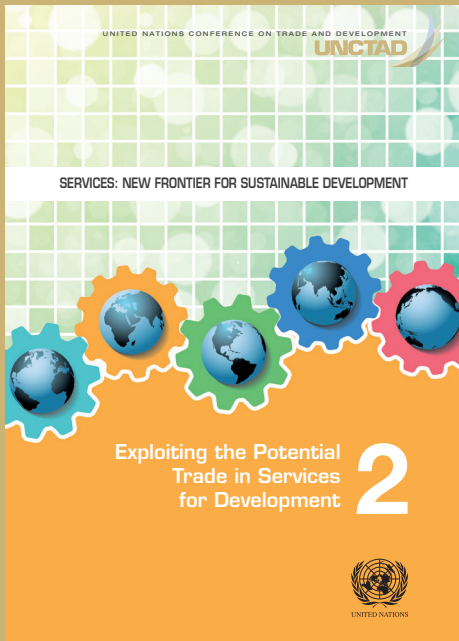




Services: New Frontier for Sustainable Development



Exploiting the Potential of the Trade in Services for Development

This publication is part of a series entitled “Services: New Frontier on Sustainable Development.” It results from the Global Services Forums in Doha in 2012 and Beijing in 2013.

The wide and deep impact of services on development is affirmed by various studies. Services are becoming crucial in the development of a country, including in achieving the Sustainable Development Goals, such as poverty reduction and access to basic services, including education, health, energy and financial services.

Services contribute to increased productivity in the agricultural, manufacturing and services sectors, as many services are indispensable inputs (i.e. intermediate services). Indeed services have become a fundamental economic activity and play a key role in building infrastructure, competitiveness and trade facilitation.

The trade in services has grown at a faster pace than the trade in goods since the 1980s and has demonstrated relative resilience in the latest financial and economic crises in terms of lower magnitude of decline, less synchronicity across countries and earlier recovery from the crises. Such resilience has led many countries to incorporate their services sector and services trade into their

post-crisis national growth strategies. For developing countries and least developed countries (LDCs), the trade in services is the new frontier. Positively integrating developing countries, especially LDCs, into the global services economy and increasing their participation in the trade in services remains a major development challenge.

Given the multifaceted contribution of services to national economies and to trade, it is critically important to design and implement a services-driven development strategy within a coherent and comprehensive policy framework, ensuring linkages with other policy areas and overall national development objectives.

The development potential of the services economy and the trade in services is yet to be fully exploited in the international trading system owing to the lack of progress in the World Trade Organization (WTO) Doha Round services negotiations and in regional integration as regards services. It is important that the international regulations of services are framed in such a way as to allow developing countries to expand their exports in sectors and modes of interest to them, particularly General Agreement on Trade in Services (GATS) mode 4, while allowing adequate space for them to design and implement national policies and regulations to strengthen the productive and export capacities of services.

It is therefore imperative to increase private and public advocacy for, and awareness of, the services sector in order to mobilize the attention and resources of policymakers and the private sector to boost the contribution of the sector to growth and development in developing countries and LDCs. It is also necessary to build up the supply capacity of developing countries and LDCs in infrastructure services and business services; to improve their regulatory and institutional frameworks, particularly for infrastructure services; to enhance market access for their services exports through WTO and other trade negotiations; and to strengthen regional integration in services. It is crucial to enhance the networks between national and regional services coalitions and associations and promote all forms of partnership and cooperative frameworks on services.

