

Report by the Chair on the Multi-year Expert Meeting on Trade, Services and Development

At Trade and Development Commission (10:am, 27 November 2019, Rm XXVI, Palais des Nations)

1. The 7th session of the Multi-Year Expert Meeting on Trade, Services and Development was held on 1-2 May 2018. The session was chaired by me - Ambassador Aliyar Lebbe Abdul Azeez of Sri Lanka and Ms. Debra Ponce, Counsellor in the Mission of Guatemala served as Vice-Chairperson-cum-Rapporteur.
2. The report of this session is contained in document TD/B/C.I/MEM.4/21.
3. This was the third session of the Multi-year Expert on Trade, Services and Development convened after UNCTAD14. As such, it directly responded to the Nairobi Maafikiano that substantially strengthened UNCTAD's mandates on trade, services and development. You may recall that paragraph 55(n) of the Nairobi Maafikiano mandated UNCTAD to "(c)ontinue and reinforce its work on trade in services, services data and statistics and analysis of trade and services for development."
4. The main theme of this session was "Enhancing productive capacity through services".
5. I am pleased to report that the session was well attended despite the distraction from the Labour Day holiday on 1 May in many countries. This session was organized around four substantive panel discussions, namely: (i) The relationship between services and productive capacity; (ii) Increasing services provision to enhance productive capacity; (iii) Digital services and productive capacity enhancement; and (iv) Promoting the enhancing role of services in productive capacity through international cooperation.
6. I am also glad to say that the presentations and discussions were informative, concrete and rich. I am indeed impressed by the active engagement and interaction among participants, which suggests that the topics were interesting and relevant to the countries.
7. Given the time limit, I will refrain from giving too much detailing, but just to summarize the key messages that emerged from the discussions:
 - (a) There was a need to strengthen the linkages between services, which were embedded in all economic sectors, and other economic sectors, including manufacturing.
 - (b) Services policies should be integrated into broader industrial policies, to exploit complementarities in sectoral development.
 - (c) Developing countries needed to identify key products where they could be competitive, determine services linkages around the relevant sectors and ensure producers had adequate access to those services; where that was not the case, imports could play a complementary role.

(d) In creating logistics centres around ports, productive capacity could increase through backward and forward linkages and provision of more efficient services, thus creating employment opportunities.

(e) SMEs needed government support, such as through policies that promoted SMEs. Such government policies had the potential to increase productive capacity, including provision of related local services.

(f) Developing countries needed enhanced human capital (skills and expertise) to develop their services sectors and improve government understanding of micro-level needs for services.

(g) In setting policies, Governments needed to address the creation of enabling environments, while involving the private sector, and transparency in the provision of services and infrastructure amenities for the business sector, to make businesses competitive.

(h) Regulators should be anticipative in establishing regulatory rules, especially given how rapidly new technologies evolved, and find a balance between risk and innovation.

(i) Cooperation and coordination among government agencies and regulators at the national level were important for enhancing linkages between services, including digital services and other economic sectors.

(j) The digital economy was a complex ecosystem and benefiting from digital services depended on services, goods and connectivity. Governments and regulators thus needed to bring together all related policy areas.

(k) Data collection on services, including in relation to productive capacity and trade, needed to be more rigorous and made publicly available to make informed policy choices. Greater cooperation among countries, including through regional and international organizations, could improve national capacity in services data collection and analysis.

(l) Exchanging country experiences on successes and lessons learned at the regional and multilateral levels, including through South–South cooperation, should be strengthened to exploit the potential of services to enhance the productive capacity of developing countries and least developed countries as they sought to achieve the Sustainable Development Goals.

8. This meeting also provides guidance to future UNCTAD work on services. It is recommended that UNCTAD provide a forum for exchange of country experiences in exploiting the enabling role of services to enhance the productive capacity of developing countries and least developed countries.

9. This concludes my report. Thank you.