

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

Frédéric Gonzales
OECD Trade in Services Division
Multi-Year Expert Meeting on Trade, Services and
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Overview

- Why a book?
- Highlights from the book



Services Trade Policies and the Global Economy





Why a book

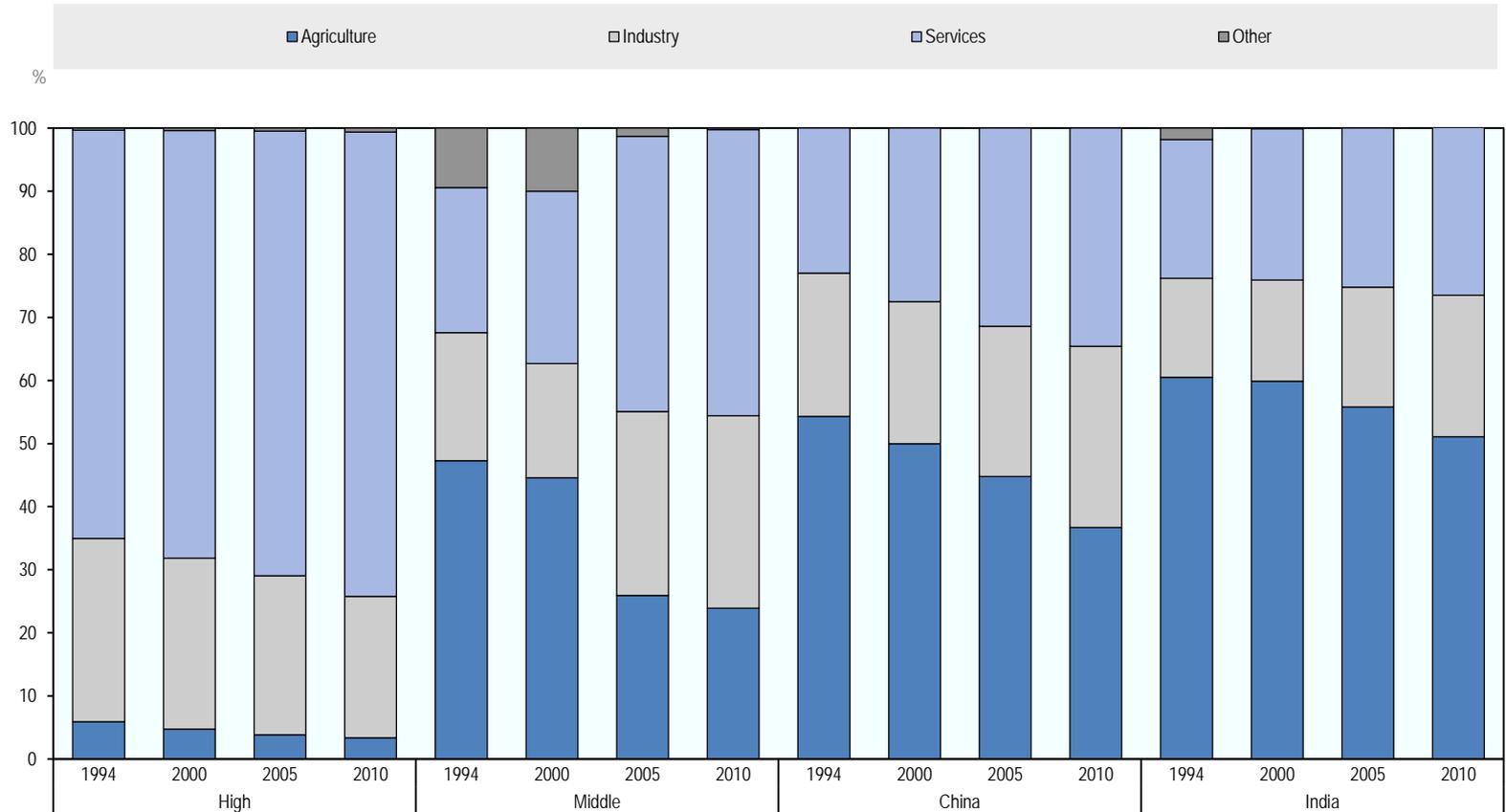
- A tool for disseminating services trade work
 - Accessible to interested readers
 - Position the STRI project in a broader context of recent economic, technology and social development
 - Position the project in the policy debate
- A synthesis of a large amount of work previously presented in
 - 12 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

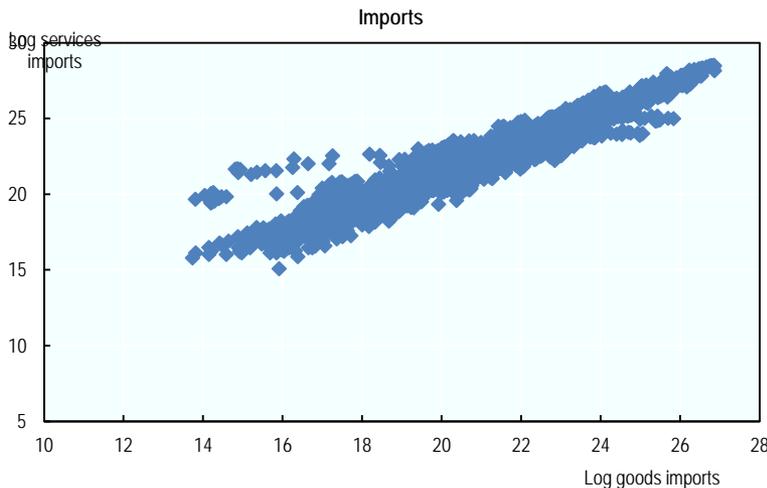
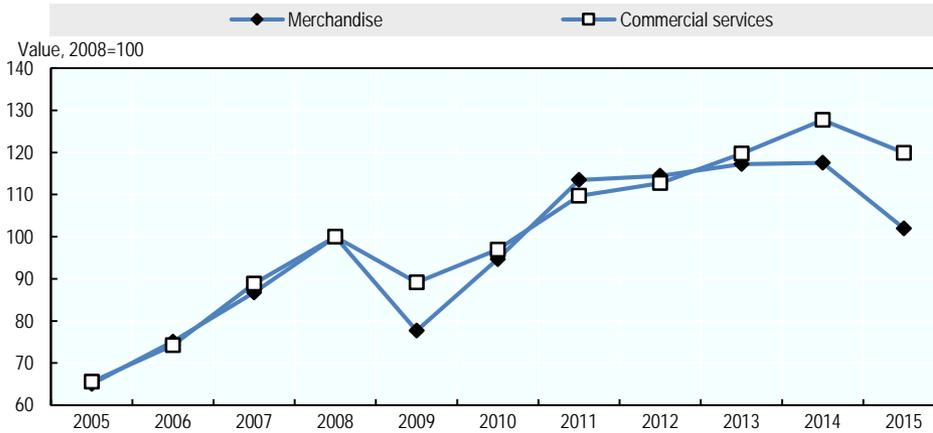


Context: a rising share of services everywhere (employment share)



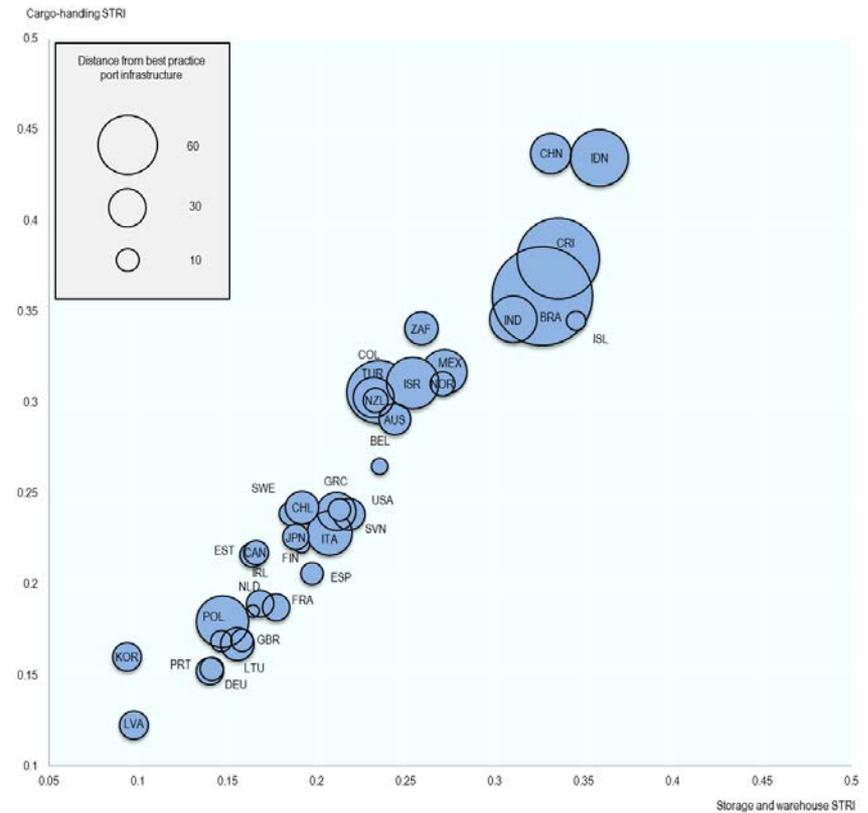


Context: Goods and services trade complement each other



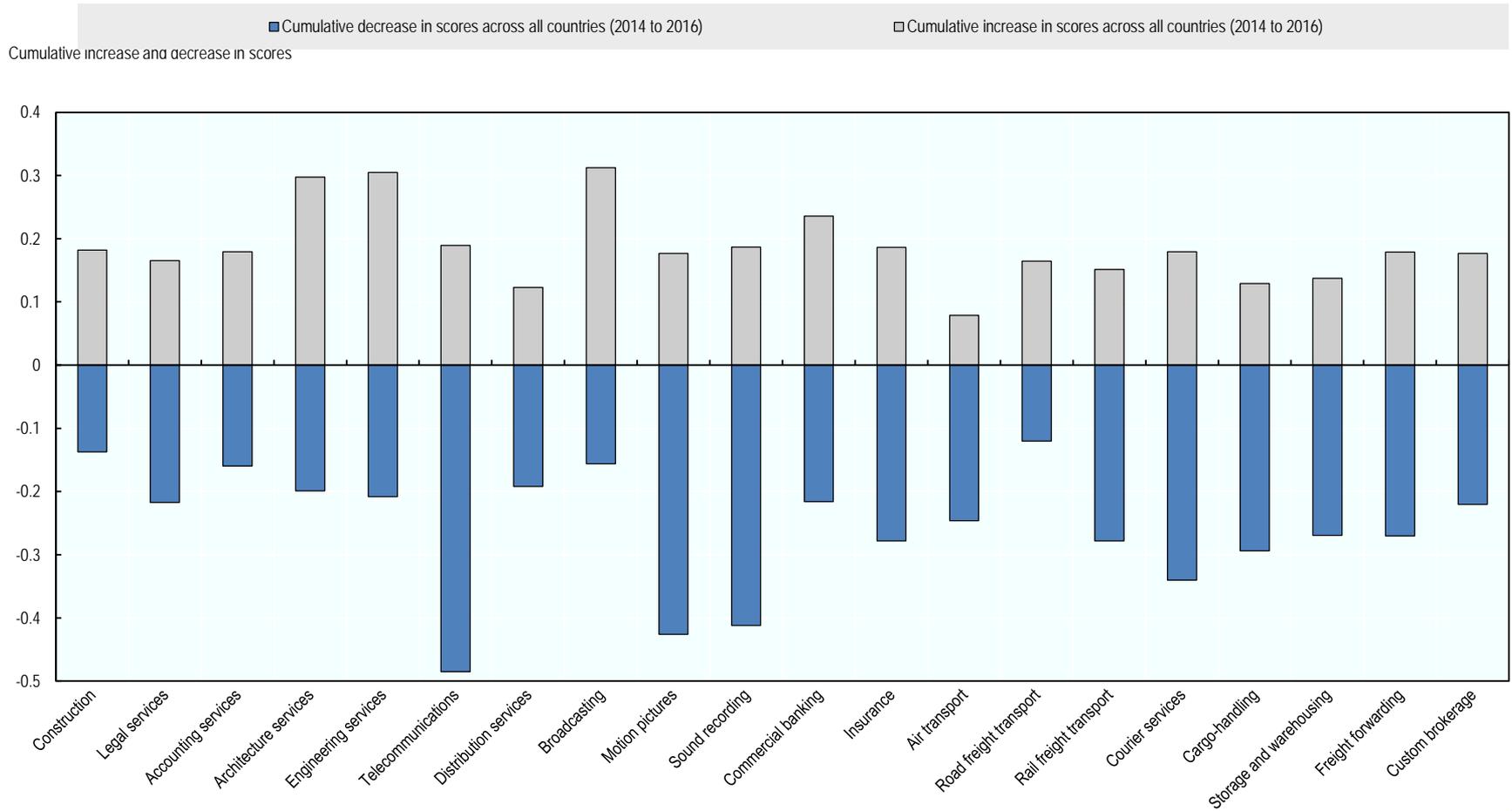
- As manufacturing production networks become more complex, supporting services become more complex too
- Manufacturing firms are important services traders
- Knowledge-capturing products: a category of its own in SNA
 - Codified and digitised services have similar properties as goods:
 - Storable
 -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

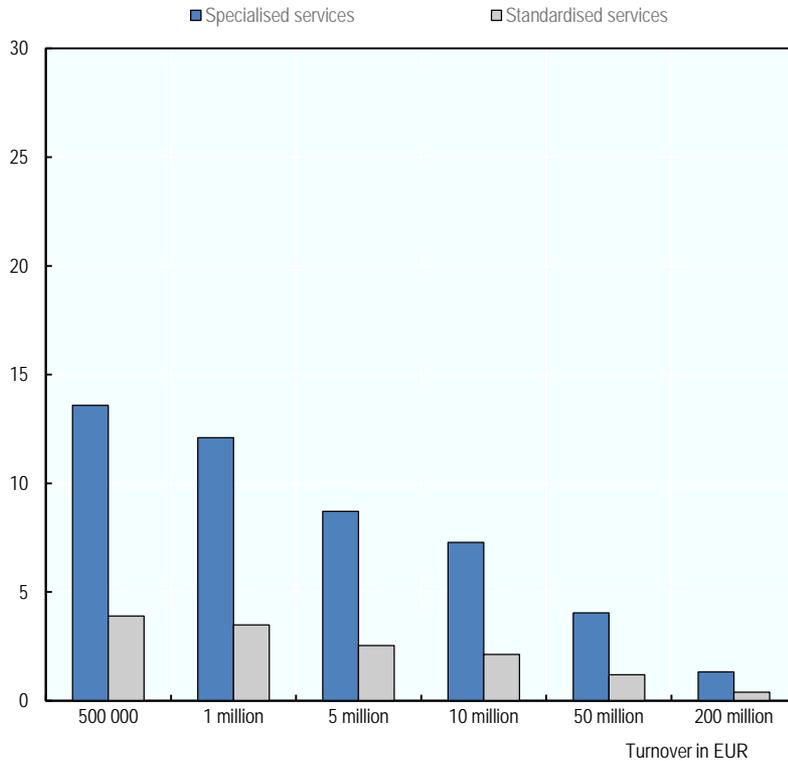




Impact analysis: trade cost equivalents

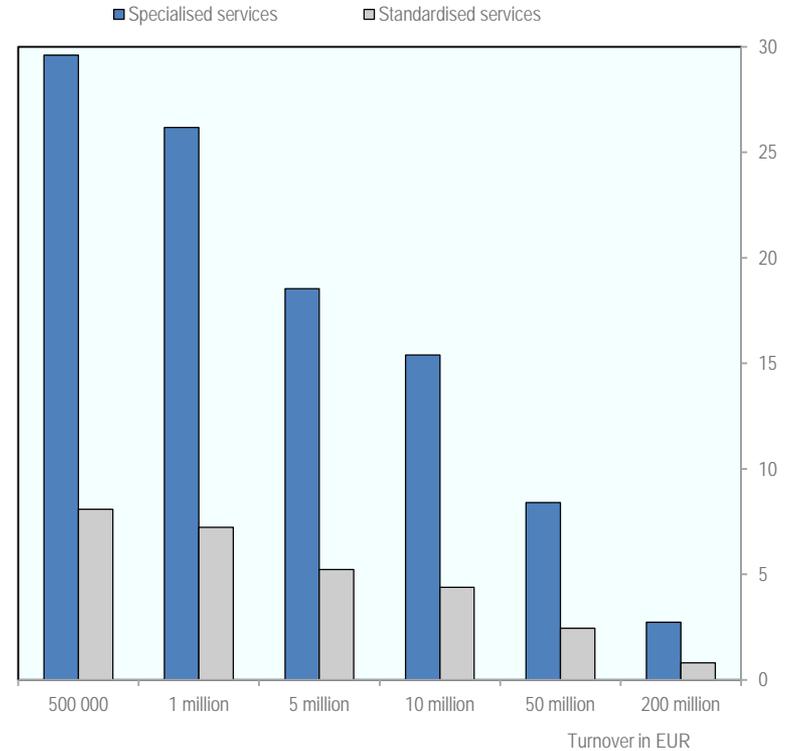
(a) On cross-border exports

Additional tariff equivalent STRI, %



(b) On foreign affiliate sales

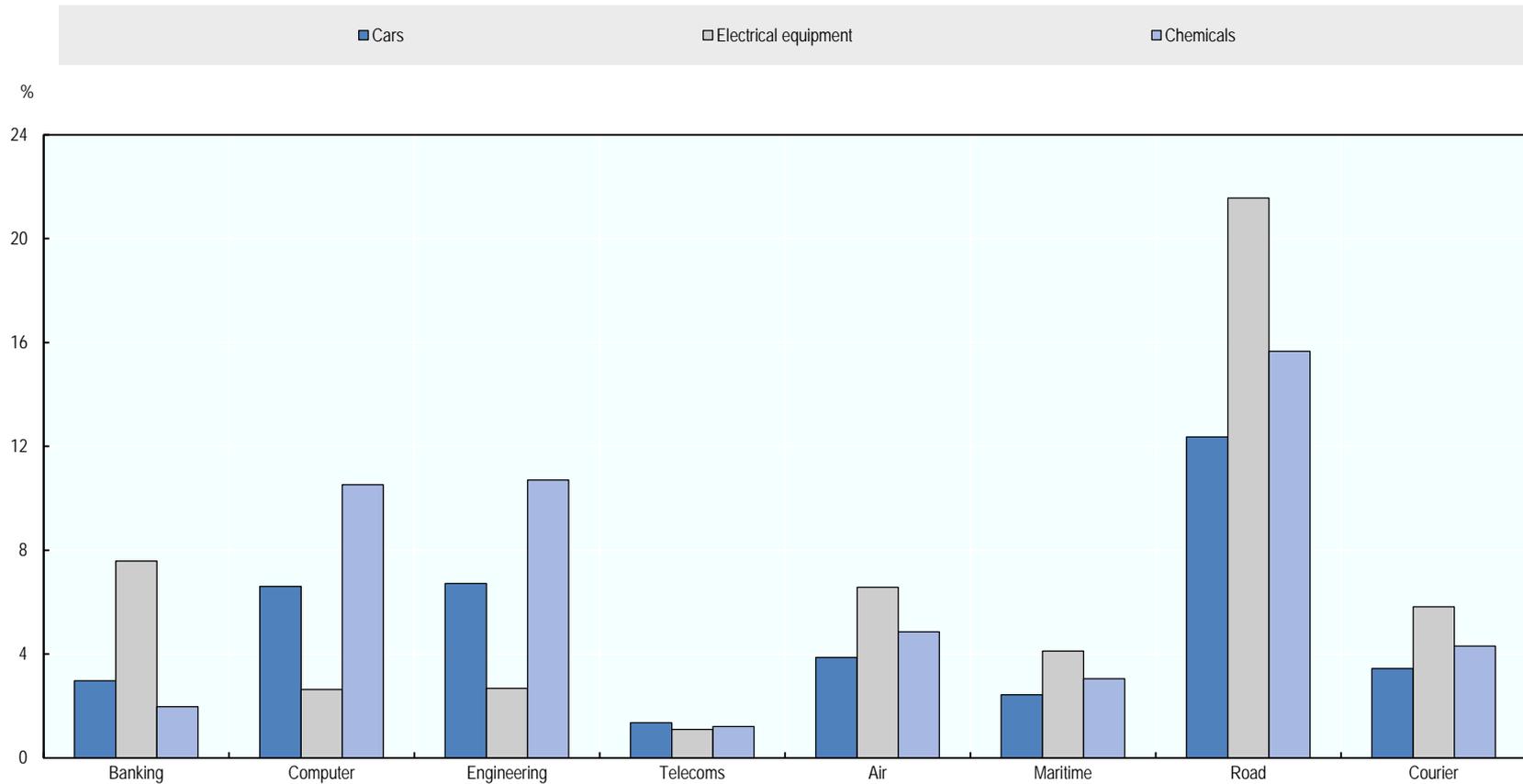
Additional tariff equivalent STRI, %





Impact analysis: on manufacturing exports

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





Main findings

- 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

- 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

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

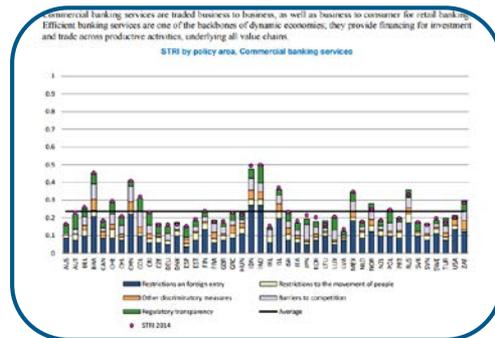
Share of services in total exports (at value-added terms)

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

Policy simulator



Country and sector notes

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THANK YOU !!

Contact us

We look forward to hearing from you!



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