

Services Inputs and Multilateral Efforts



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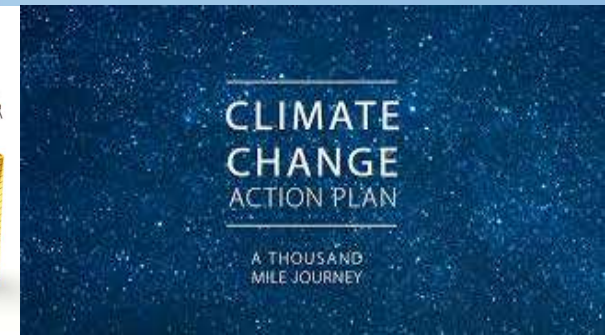
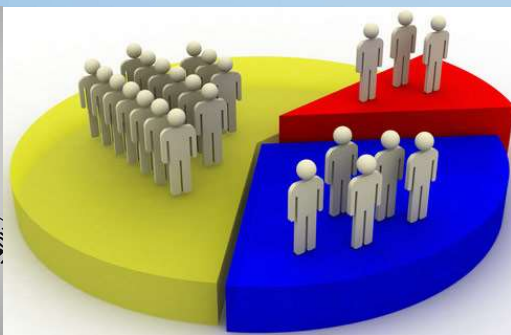
Services sectors as the engine of economic growth and the 21st century globalization



- “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



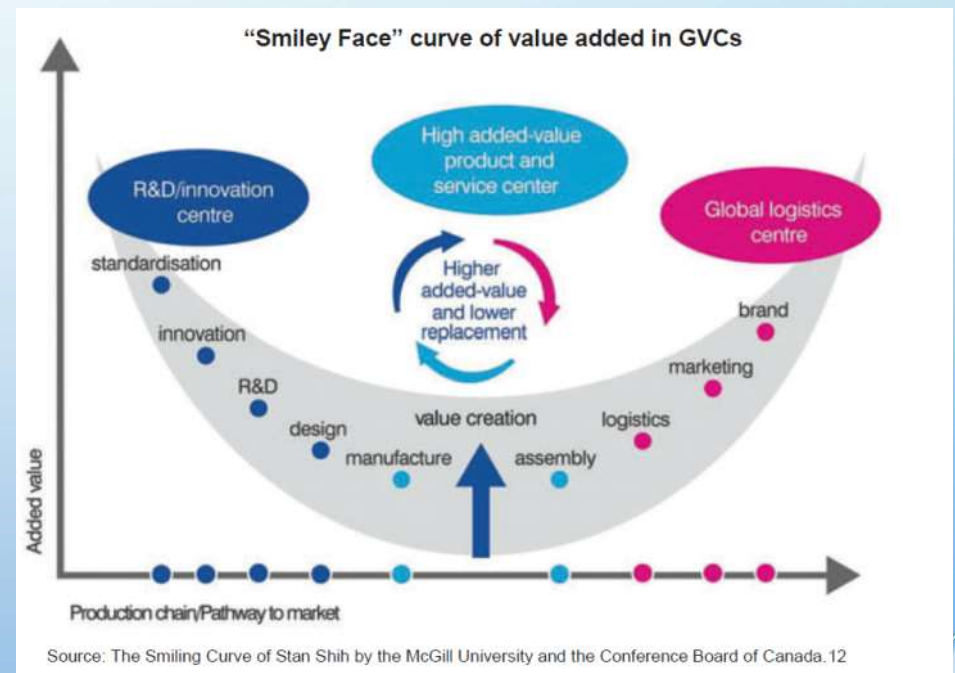
Services as inputs in global production networks



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

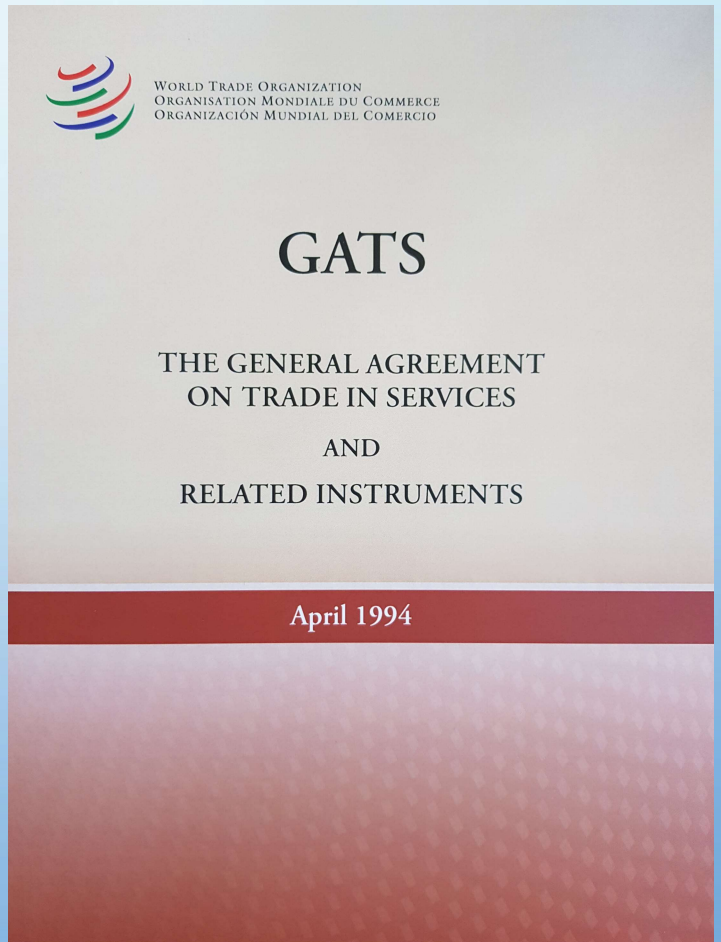
A few takeaways

- 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**

