

SERVICES TRADE

DATA FOR SERVICES TRADE AND DEVELOPMENT POLICIES*

CHRISTIAN VOLPE MARTINCUS
INTER-AMERICAN DEVELOPMENT BANK

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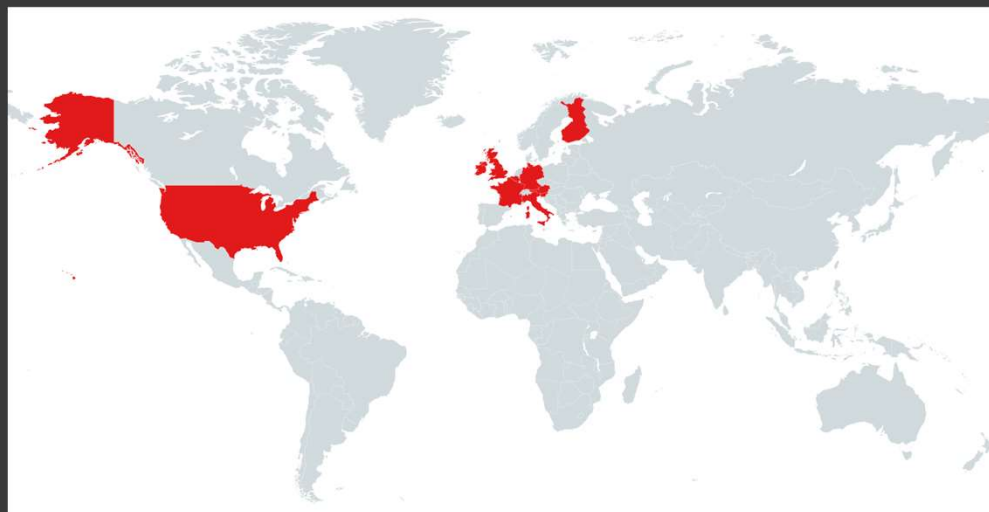
GOODS vs SERVICES
TRADE DATA

Countries with studies using (comprehensive) firm-level trade data

Goods



Services



**WHAT SERVICES TRADE DATA CAN
HELP ACHIEVE**

Firm-Level Services Trade Data

Why This Matters

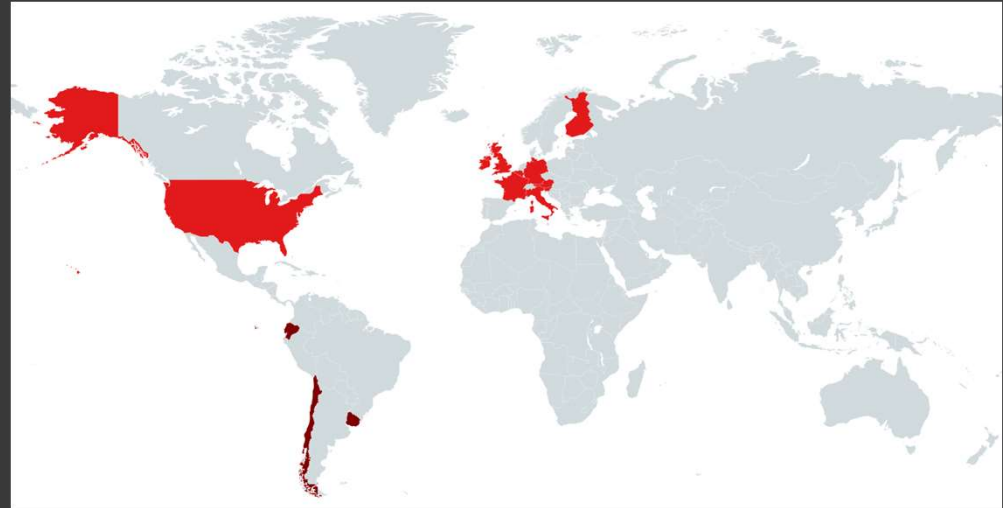
This data is crucial to identify:

- ▶ the **extensive margin** (*how many* firms and *who* these firms are) and the patterns across sectors (and destinations/origins)
- ▶ the **determinants of firms' services trade performance** and the **impact of public policies** (e.g., export promotion)
- ▶ the **effects of firms' services trade on their overall performance and the economy as whole** (e.g., through linkages and labor turnover), both general and distributional
- ▶ ...

Insights thereon are **key inputs for proper policy design** and to maximize the gains from services trade

Countries with **studies** using
(comprehensive) firm-level trade data:
Developing countries in LAC

Services



EXTENSIVE MARGIN AND SECTORAL PATTERNS

Firm-Level Services Trade Data

The Firm Extensive Margin: Uruguay (2013/16)

Number of Firms					
Year	All Firms	Non Exporters	Only Exports Goods	Only Exports Services	Exports Goods and Services
2013	56,720	51,086	1,514	3,918	202
2014	57,194	51,322	1,397	4,274	201
2015	56,705	50,590	1,362	4,555	198
2016	55,289	48,910	1,370	4,801	208
Share of All Firms					
Year	All Firms	Non Exporters	Only Exports Goods	Only Exports Services	Exports Goods and Services
2013	100.0%	90.1%	2.7%	6.9%	0.4%
2014	100.0%	89.7%	2.4%	7.5%	0.4%
2015	100.0%	89.2%	2.4%	8.0%	0.3%
2016	100.0%	88.5%	2.5%	8.7%	0.4%

Source: Authors' calculations based on data from DGI and DNA.

Firm-Level Services Trade Data (with other firm-level data)

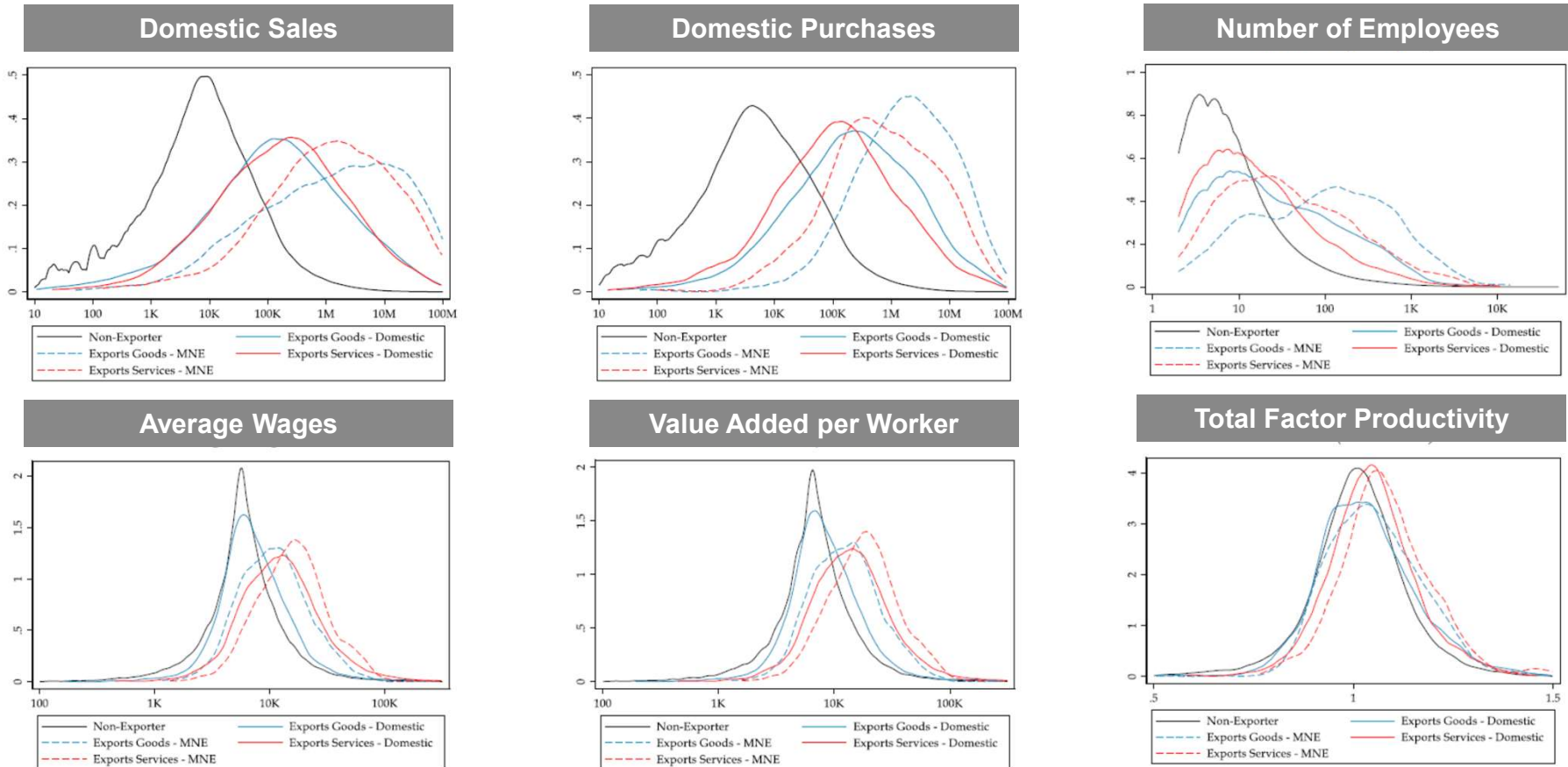
Who the Services Exporters Are: Uruguay (2016)

	Number of Employees	Age (years)	Share of Exports	Has Imports	Sells to Exporters	Buys from Exporters	Sells to MNEs	Buys from MNEs
Exporting Status					Mean			
Goods and Services	78	26	0.20	0.82	0.82	0.96	0.81	0.93
Only Goods	104	23	0.36	0.74	0.76	0.95	0.72	0.90
Only Services	28	15	0.34	0.24	0.59	0.80	0.66	0.73
No Exp	14	18	0.00	0.12	0.48	0.82	0.46	0.70

Source: Authors' calculations based on data from DGI and DNA.

Firm-Level Services Trade Data (with other firm-level data)

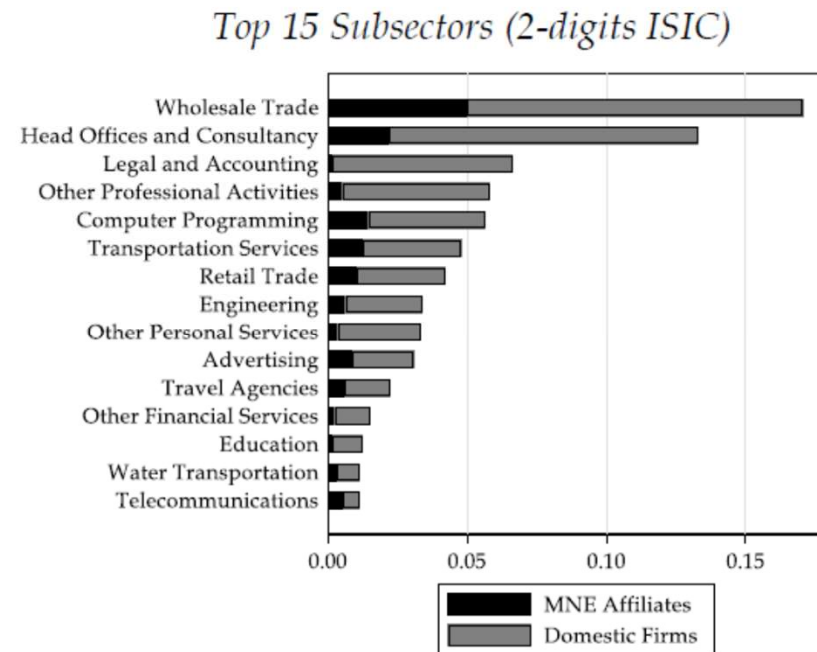
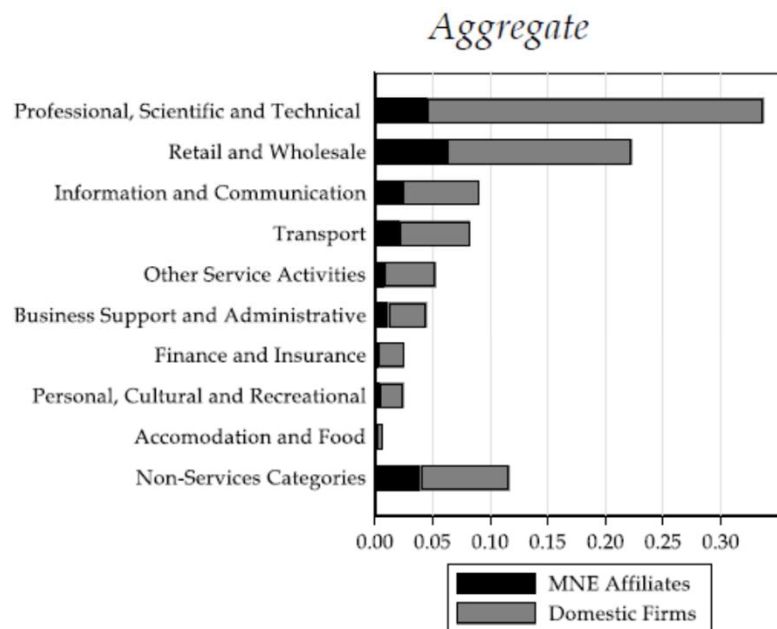
Who the Services Exporters Are: Ecuador (2018)



Source: Authors' calculations based on data from SRI.

Firm-Level Services Trade Data (with other firm-level data)

The Sectoral Patterns: Ecuador (2018)



Source: Authors' calculations based on data from SRI.

DETERMINANTS AND THE IMPACT OF PUBLIC POLICIES

Firm-Level Services Trade Data (with other firm-level data)

The Determinants of Firms' Services Exports: Ecuador (2015/18)

- ▶ **Linkages with Other Exporters Matter**

Firms that sell to services exporters have a probability **0.5 percentage points higher** of becoming services exporters themselves than their counterparts that do not do it

Countries with impact evaluations using (comprehensive) firm-level data

Trade Promotion and Goods Trade



Trade Promotion and Services Trade



Firm-Level Services Trade Data (with other firm-level data)

The Impact of Public Policies: Chile (2005/17)

► Public Policies Can Make a Difference

Firms that participate in trade (PROCHILE), innovation (CORFO), investment (InvestChile), or training (SENCE) promotion programs have a probability **0.7 percentage points higher** of becoming services exporters than their counterparts that do not do it

THE EFFECTS OF SERVICES TRADE

Firm-Level Services Trade Data (with other firm-level data)

The Effects of Services Trade on Firms' Performance: Ecuador (2015/18)

Services exporting is associated with increased:

- ▶ domestic sales
- ▶ domestic purchases
- ▶ number of employees
- ▶ average wages
- ▶ investment
- ▶ **total factor productivity**

Firm-Level Services Trade Data (with other firm-level data)

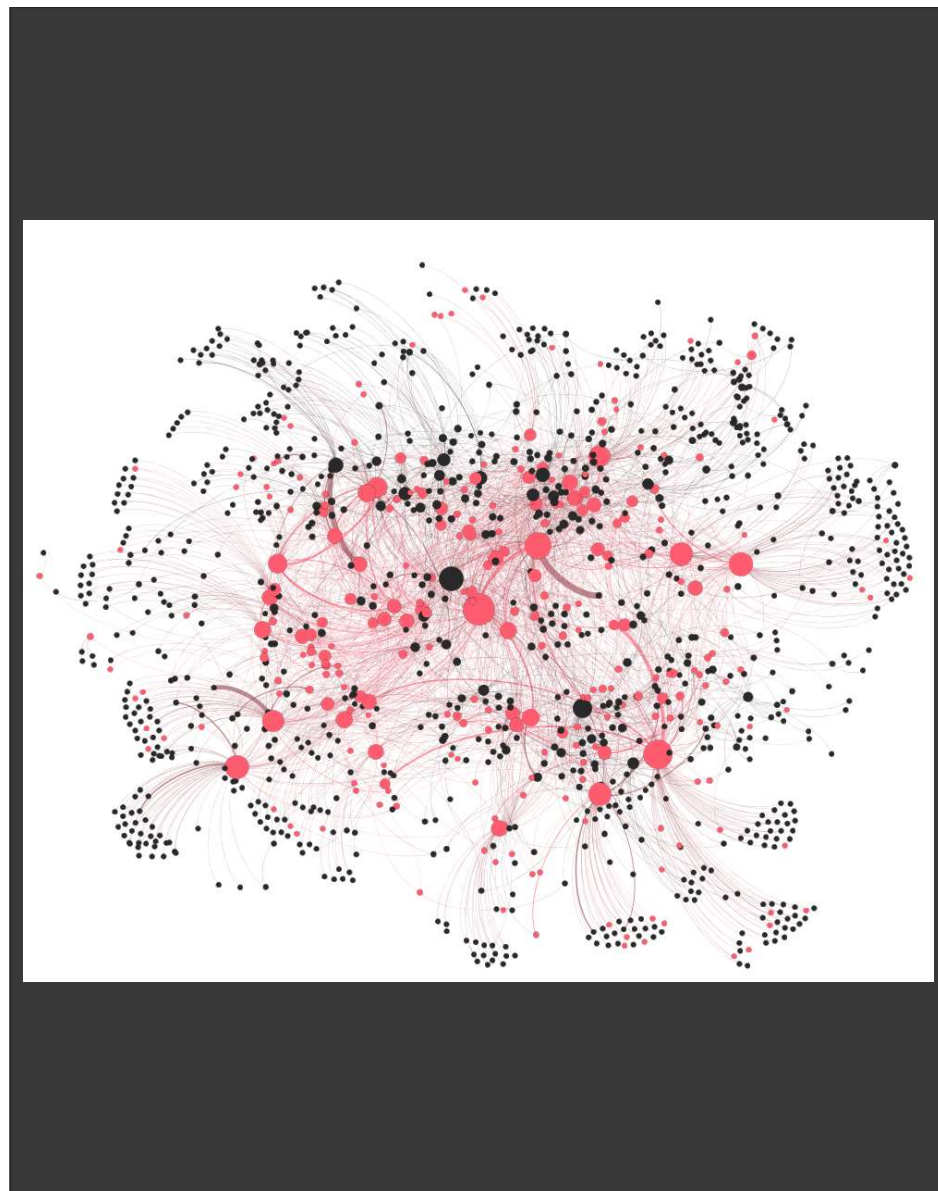
The Effects of Services Trade on the Economy as a Whole

When firm-level **services trade data** is combined with data from **tax (VAT) and customs declarations, social security records, and environmental accounts**, it is possible to examine how services exporting affects:

- ▶ the performance (e.g., number of employees, sales) of suppliers and clients and **the economy's production network** in general

and through both the direct and these indirect effects:

- ▶ the **spatial distribution of economic activity**
- ▶ the **environment** and specifically **pollution**
- ▶ **diversity** and specifically the **gender gap**



Thank you

Christian Volpe Martincus

Principal Economist, BID

christianv@iadb.org