

## **GLOBAL FORUM ON TRADE**

### **TRADE IN SERVICES**

#### **Realising their Potential for Growth & Jobs**

**Paris, November 4, 2014**

Services dominate the economic landscape of advanced and emerging economies, accounting for 80 percent of employment, 75 percent of GDP, 60 percent of FDI, and 50 percent of value added exports. Yet, in practice, very little progress has been made to date in the WTO either to expand the coverage of services disciplines much beyond what was negotiated in the Uruguay Round in 1994, or to generate any real liberalisation of services markets. In contrast, services have emerged as the most widespread sector where WTO-plus commitments have been endorsed in regional trade agreements that have been signed since 2001.

This GFT will bring together policy makers, business representatives and other stakeholders to discuss the available evidence on restrictions to services trade and the opportunities to open services markets, as one important contribution to generating widespread growth and jobs. What are the preconditions for desirable service sector reforms? how to counterbalance domestic opposition to reform and liberalisation by incumbents? What role for international cooperation in securing services trade reforms? These are some of the questions that this policy dialogue will seek to answer.

#### **Background**

The current weak economic recovery and the slow pace of job creation in many countries have heightened interest in the potential role of trade in stimulating lagging labour market performance. The role of competitive services sectors is increasingly acknowledged as an important determinant of growth and job creation. Services tend to be inputs into the productive process, and as a consequence are a driver of productivity growth as well as sources of new employment.

The role of services in the economy in general and in global value chains in particular has been documented in a number of recent studies facilitated by new data on trade in value added. The OECD-WTO TiVA database reveals that services play a far more significant role than suggested by gross trade statistics. While they represent about 20 percent of global trade on a gross basis, services represent closer to 50 percent of total trade when measured in value added terms. The

value created by services represents over 30 percent of the total value added in manufactured goods. Liberalisation of services trade would thus not just benefit services sectors themselves, but would also enhance the competitiveness of manufacturing firms.

The OECD released a new policy tool, the Services Trade Restrictiveness Index (STRI) in May this year. It contains a database where policy makers, businesses, the research community and other stakeholders can find timely and comparable information about trade policies and behind the border services regulation. In addition, a policy simulator allows for impact assessment of proposed policy reforms or offers in trade negotiations. The Global forum will also be an opportunity for participants to familiarise themselves with this policy tool and how it can support policy analysis in relation to services negotiations as well as domestic reforms.

## AGENDA

Tuesday 4 November 2014	
9.00- 9.30	Registration
9.30- 10.00	Chair: Fernando de Mateo Welcome and opening remarks: Deputy Secretary General Kiviniemi
<b>SESSION I</b> <b>Why services matter</b>	
10.00- 10.45	This session will highlight the role of services for job creation and competitiveness throughout the economy, including in developed and developing economies, drawing on, inter alia, the STRI, the OECD-WTO Trade in Value Added database and GVC work.  Chair: Fernando de Mateo  Speakers <ul style="list-style-type: none"> <li>• Services trade regulation: Hildegunn Kyvik Nordås, OECD</li> <li>• Pascal Kerneis, European Services Forum</li> <li>• David Frautschy, Telefónica</li> </ul> Open discussion
10.45- 11.00	Coffee break

<b>Session II</b> <b>Opening Services markets: Policy Challenges</b>	
11.00-13.00	<p>This session will draw on participants' approaches to services reform. It will cover both lessons learned from past success in promoting services trade reforms, and the challenges faced by those now considering, or in the process of, further services reform.</p> <p>Chair: Raed Safadi</p> <p>Speakers:</p> <ul style="list-style-type: none"> <li>• Brazil (Jorge Arbache , University of Brasilia and CNI, business association)</li> <li>• Sweden (Magnus Rentzhog, Swedish National Board of Trade)</li> <li>• European Union (Andrés Garcia-Bermudez, DG Trade)</li> <li>• Colombia (Gabriel Duque Mildenberg, Ministry of Trade, Industry and Tourism)</li> </ul> <p>Open discussion</p>
13.00-15.00	Lunch break
<b>Session III</b> <b>Services trade policy profiles</b>	
15.00-17.00	<p>In this session the importance of services will be illustrated by focussing on two crucial facilitating services sectors: financial services and distribution services. Access to credit is essential for entrepreneurship, economic growth and trade in goods and services. Distribution services play a major role connecting consumers and producers</p> <p>Chair: Crawford Falconer</p> <p>Speakers:</p> <ul style="list-style-type: none"> <li>• Dorothee Rouzet, OECD</li> <li>• Thorsten Beck, Cass Business School and member in the STRI expert group</li> <li>• Neil Wrigley, University of Southampton and member in the STRI expert group</li> <li>• Ralph Kamphöner, EuroCommerce</li> </ul> <p>Open discussion</p>
17.00-17.15	Coffee break
<b>Session IV</b> <b>Conclusion/Looking Ahead</b>	
17.15-	<p>This concluding session will highlight the role of the OECD in supporting services trade reforms and in possible priority issues for further analysis and dissemination efforts.</p> <p>Speaker: Ken Ash</p>