

Trade in Services and the World Economy

Overview

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Trade in Services and World Economy

- **Trade and Development (UNCTAD)**
- **Trade Policy Reviews (WTO)**
- **World Economic Outlook (IMF)**
- **Statistics of Trade in Services**

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Trade in Services and Development Implications

(Report by UNCTAD, 2 February 2007)

Main statements

“The services economy and trade in services are becoming more important for the growth and development prospects of developing countries (DCs).”

“The contribution of services to income generation, employment creation, competitiveness, and foreign exchange earnings has significantly increased over the last two decades across countries.”

Trade in Services and Development Implications

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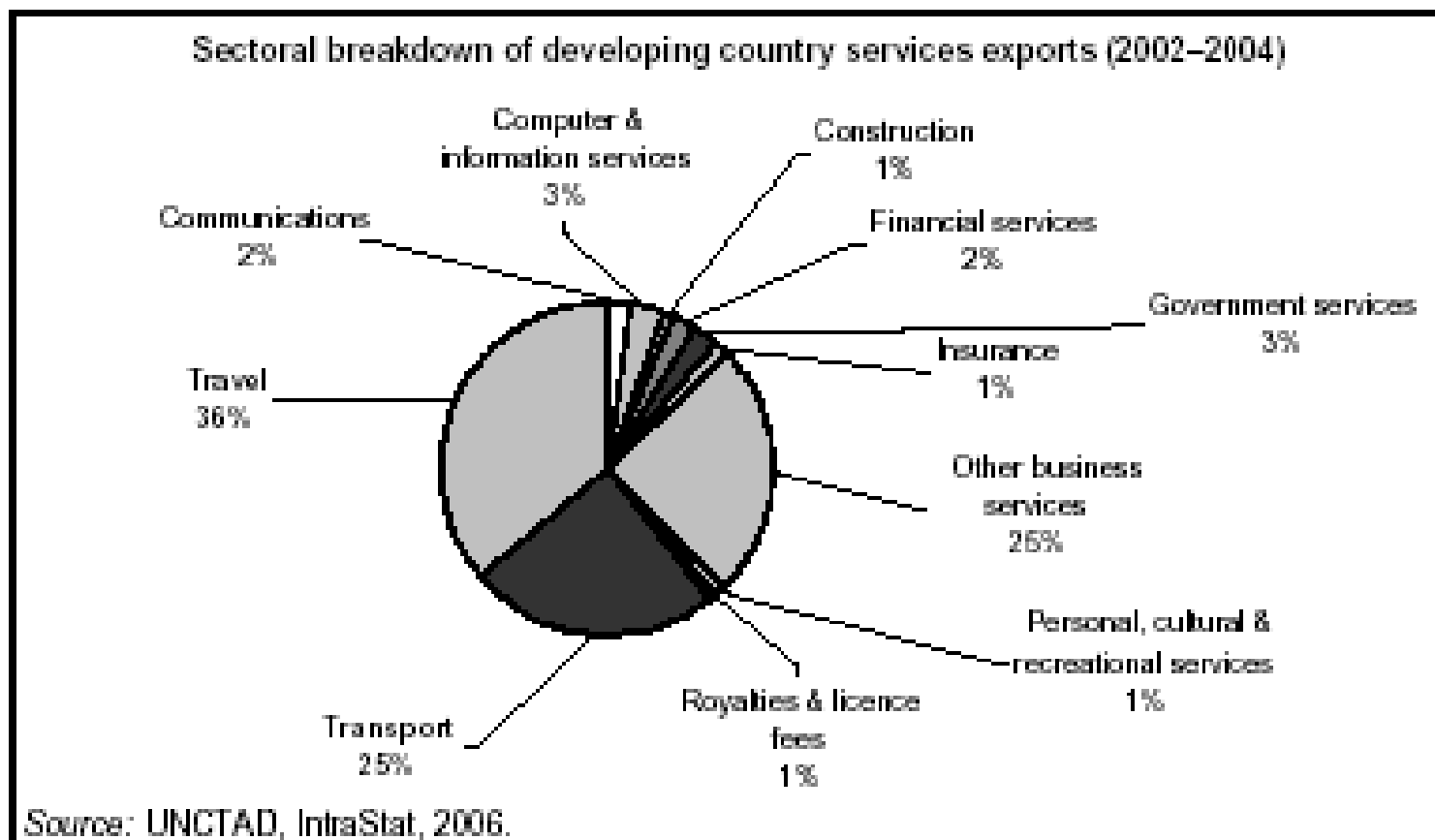
Main statements

“Services exports are, however, concentrated in a relatively small number of Developing Countries.”

“The potential of services and services trade is yet to be fully realized by many Developing Countries, particularly African ones and LDCs.”

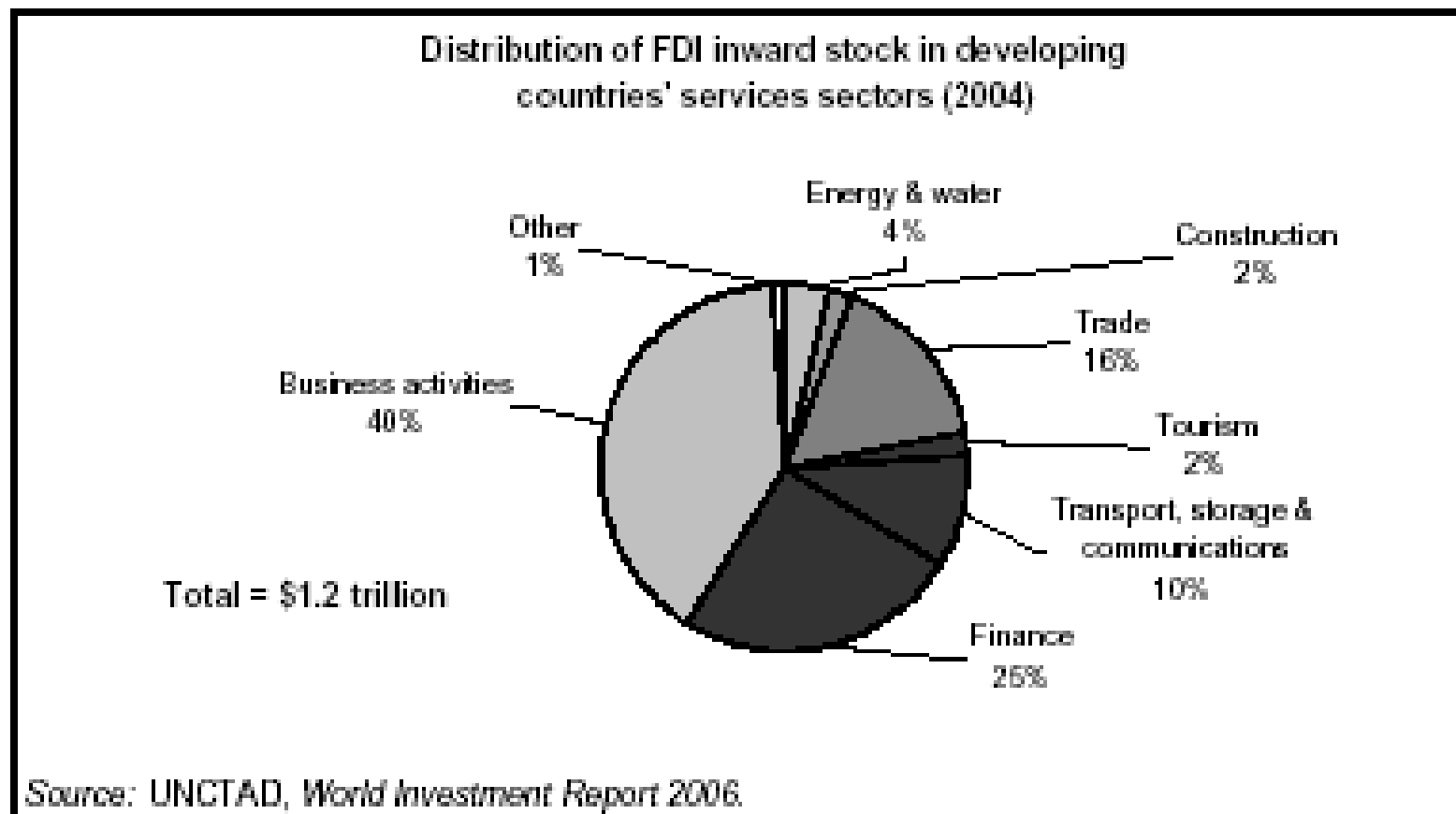


Trade in Services and Development Implications



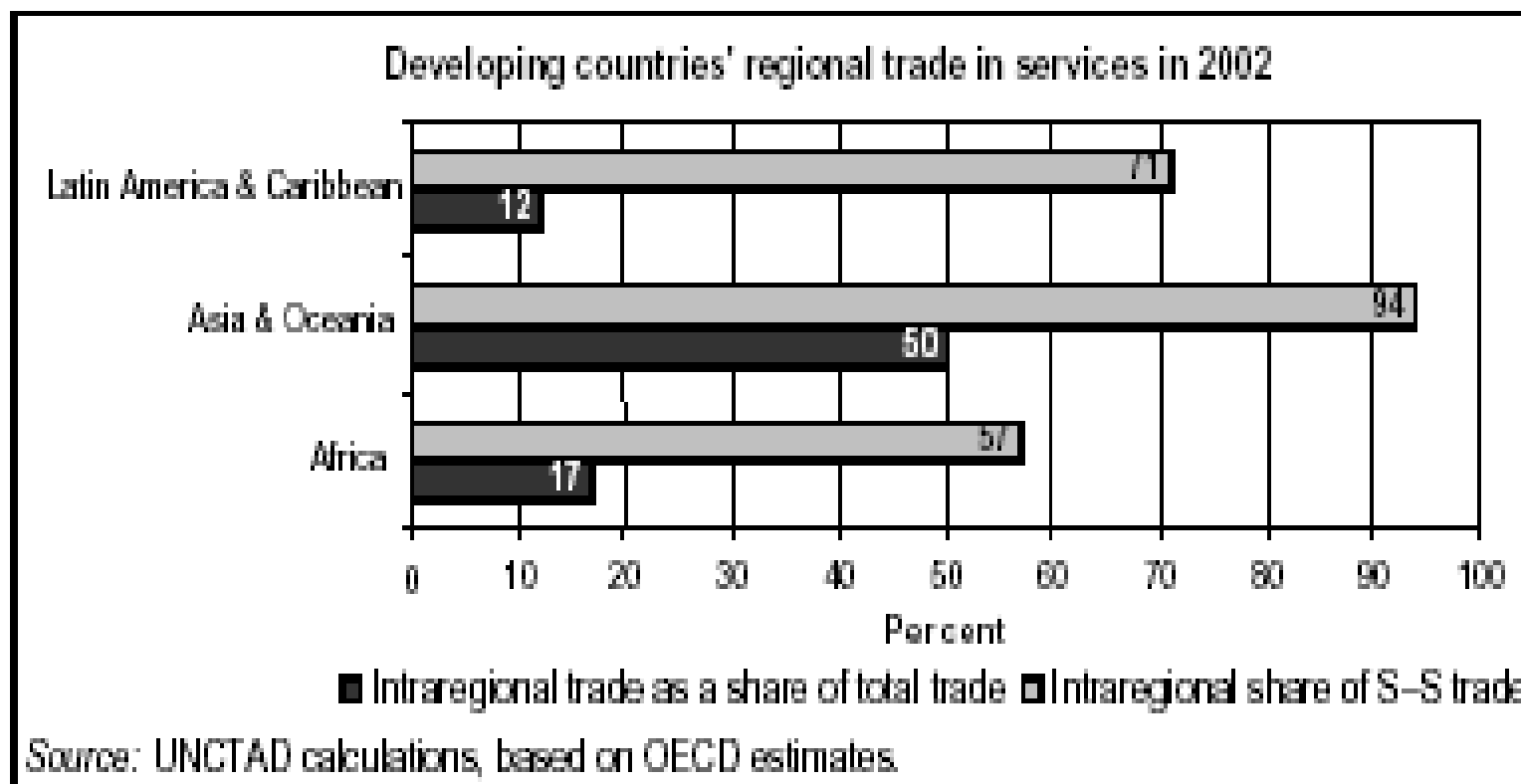


Trade in Services and Development Implications





Trade in Services and Development Implications



Treatment of Mode 4 in Regional Trade Agreements

Most RTAs contain provisions on labor mobility, such as

- (i) Agreements providing full mobility of labor with very limited exceptions (e.g. for *public services, public security and/or public health works*) (EU, EEA, EFTA, COMESA, ANZCERTA);
- (ii) Agreements providing market access for certain groups (*university graduates, professionals, highly skilled persons or workers from selected occupations*), including service suppliers;

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Main conclusion

Adequate impact assessment of trade in services is thus important in identifying strategies and priorities for enhancing developing country competitiveness in services trade and benefiting from the combination of RTAs and GATS (Multilateral agreements).

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WTO Trade Policy Review

East African Community

Reviewed 20 September 2006

Countries concerned:

- **Kenya**
- **Tanzania**
- **Uganda**

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Trade Negotiations

Kenya Trade Policy Review

Summary of Kenya's specific commitments in services

Sector	Mode of supply presence	Cross-border Presence of natural persons	Consumption abroad persons	Commercial	
2.	Market access/National treatment				
C.	COMMUNICATION SERVICES				
	Telecommunication services				
For public use					
(a)	Voice telephone service				
(b)	Telex services				
(c)	Telegraph services				
(d)	Facsimile services				
(e)	Private leased circuit services	Nlex/NL	NLex/NL	R/N	Uex/Uex
For public use					
(b)	Packet-switched data transmission services				
(c)	Circuit-switched data transmission services	NL/NL	NL/NL	R/NL	Uex/Uex

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World Economic Outlook 2007 (released April 2007)

Executive Summary:

Notwithstanding the recent bout of financial volatility, the world economy still looks well set for continued robust growth in 2007 and 2008. While the U.S. economy has slowed more than was expected earlier, spillovers have been limited, growth around the world looks well sustained, and inflation risks have moderated. Overall risks to the outlook seem less threatening than six months ago but remain weighted on the downside, with concerns increasing about financial risks.

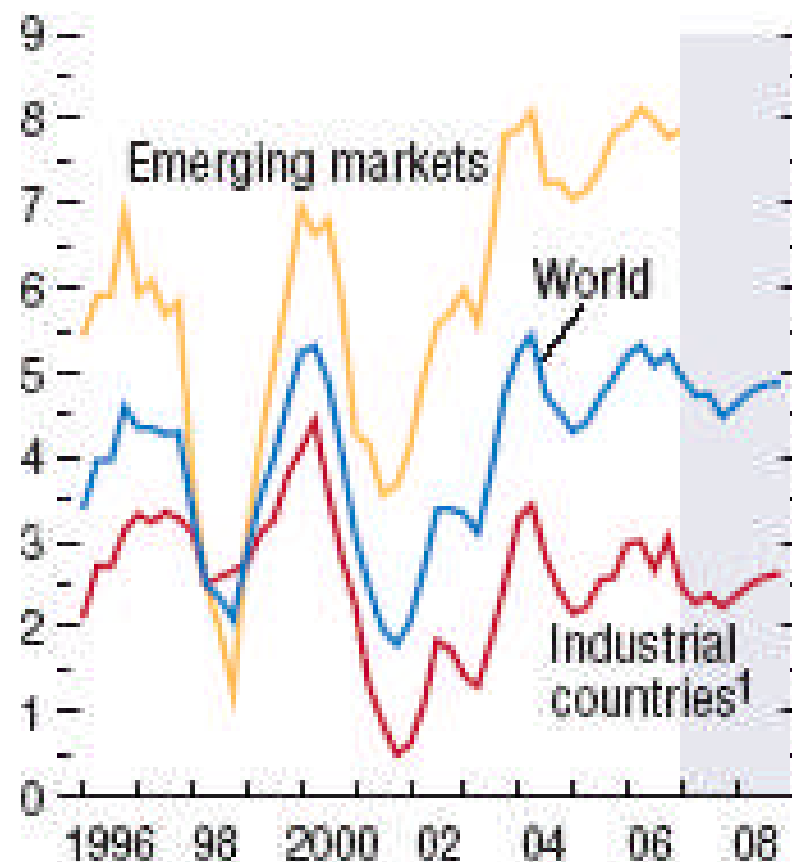
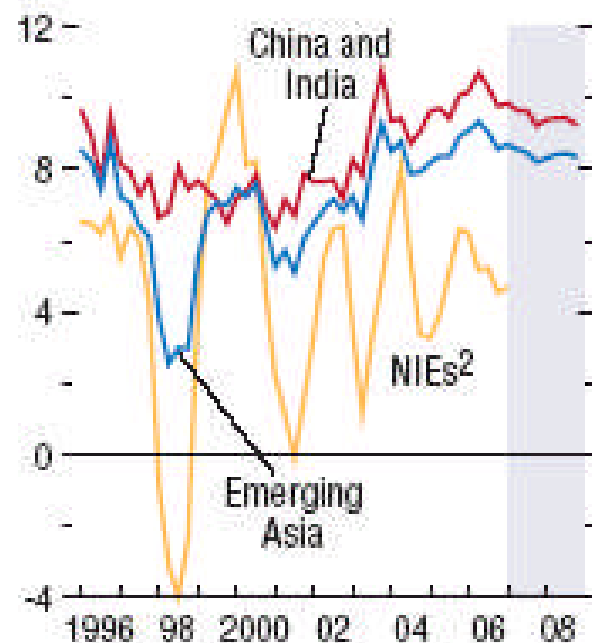


World Economic Outlook 2007

Figure 1.9. Global Outlook

(Real GDP; percent change from four quarters earlier)

Following a banner year in 2006, world growth is expected to ease in 2007 and 2008, but remain at high levels.

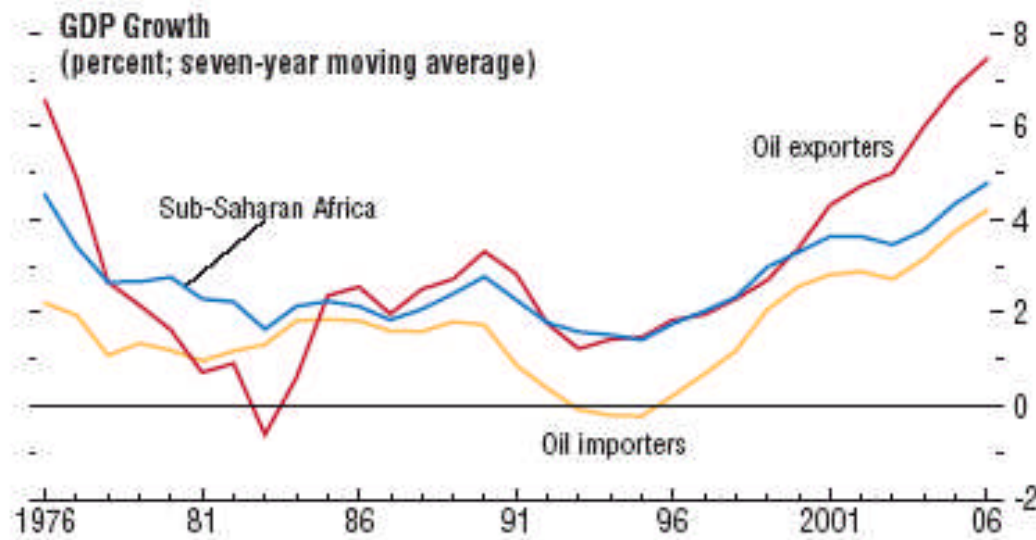


World Economic Outlook 2007

Figure 2.10. Sub-Saharan Africa: Can Recent Growth Momentum Be Sustained?

Sub-Saharan Africa is currently witnessing a period of strong growth. While this is partly due to positive terms-of-trade developments, oil importers are also growing robustly. The key now is to sustain the recent growth momentum, something the region has been unable to do in the past. A more stable political climate should help sustain high growth rates.

Economic Analysis

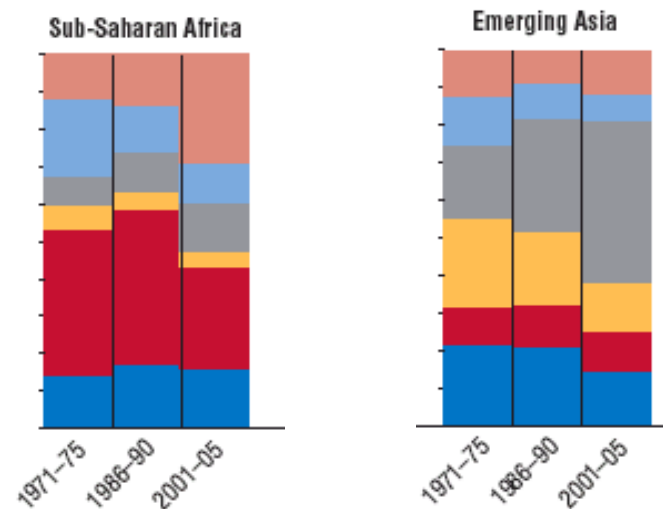


Economic Analysis

Figure 4.2. Trade Orientation

(Trade with indicated areas as percent of total trade)

With the rapid growth in intraregional trade, the importance of trade with the United States has generally decreased. In Latin America, however, the trade share with the United States has increased.



Thank you for your attention