

TRADE *in* SERVICES *for* DEVELOPMENT

In 2023, the Director General of the WTO and the President of the World Bank launched *Trade in Services for Development*, a co-publication that underscored the significant and multifaceted development impacts of trade in services and the important opportunities it offers developing countries in terms of export-led growth, economic diversification, inflows of foreign direct investment, enhanced regulatory governance, integration into global value chains and inclusiveness.

Services has been the most dynamic component of world trade since the WTO was established 30 years ago. This dynamism has been turbocharged in recent years by digitalization, which has made it easier and more affordable to supply a wide array of services across borders. The growth of services trade in the recent period has been stronger in developing countries, including LDCs, although this is starting, in many cases, from a low base.

Developing economies' growth and employment generation prospects increasingly lie in services. But while services trade carries great potential and opportunities, harnessing services trade can be challenging, especially for developing countries.

The co-publication argued that increased levels of Aid for Trade in services were required to help developing countries take fuller advantage of the growth and development opportunities presented by services trade.

In the context of the Trade in Services for Development Initiative, to follow up on the recommendations of the study, the WTO and World Bank are launching an initial joint aid for trade work program on services targeting developing and least developed countries. The aim is to mobilize resources in support of a solutions package to assist developing countries to better leverage trade in services for development.

First, we aim to produce a user-friendly Competitiveness Diagnostic Checklist. This will help developing countries assess their competitive strengths and weaknesses in services trade. It will help them define their overarching national services trade policy objectives and identify and prioritize technical assistance needs.

Second, we will assist interested developing countries in providing greater transparency about their core services trade measures. This is both a useful input to diagnostics but also a means to provide a clearer policy environment for suppliers and to facilitate domestic authorities' engagement in services trade deliberations, domestically and internationally.

Third, we need to strengthen the capacity of developing countries to produce and use statistics on services trade and improve their quality. We want to provide support for data collection efforts by developing countries. We also plan to organize workshops on measuring services trade, including digital services.

The fourth component aims to assist the efforts of developing countries to expand and diversify their services exports. In many developing countries, export promotion focuses inadequately on services. We wish to address such a gap by promoting best practice case studies and explore how they can be adopted at scale in different regions.

These proposed new and expanded joint efforts do not occur in a vacuum, but rather build upon ongoing joint work streams on services trade. Our solutions package aims to situate these efforts in a more coherent whole. This includes, in particular, our extensive work on the joint World Bank-WTO Services Trade Policy Database, which covers policy measures in 34 sectors and 134 economies, as well as the Services Trade Restrictions Index (STRI). We aim to expand the country coverage of this comprehensive information base to benefit more developing countries, as well as ensure that the information is kept up to date. In addition, we also are involved in assisting developing countries in implementing the new reference paper on services domestic regulation, including through the joint production of a handbook.

The WTO and World Bank invite all regional and international organizations, alongside other key development partners, that are working on services trade to join forces with us to achieve greater results through leveraged efforts. We call on the donor community to support these joint activities under the Initiative through stepped up contributions to the WTO's Global Trust Fund and the World Bank's Umbrella Facility for Trade.
