Defining characteristics of services

Intangible

Non-storable

Intermediates

Protected behind borders

Highly regulated

Diverse

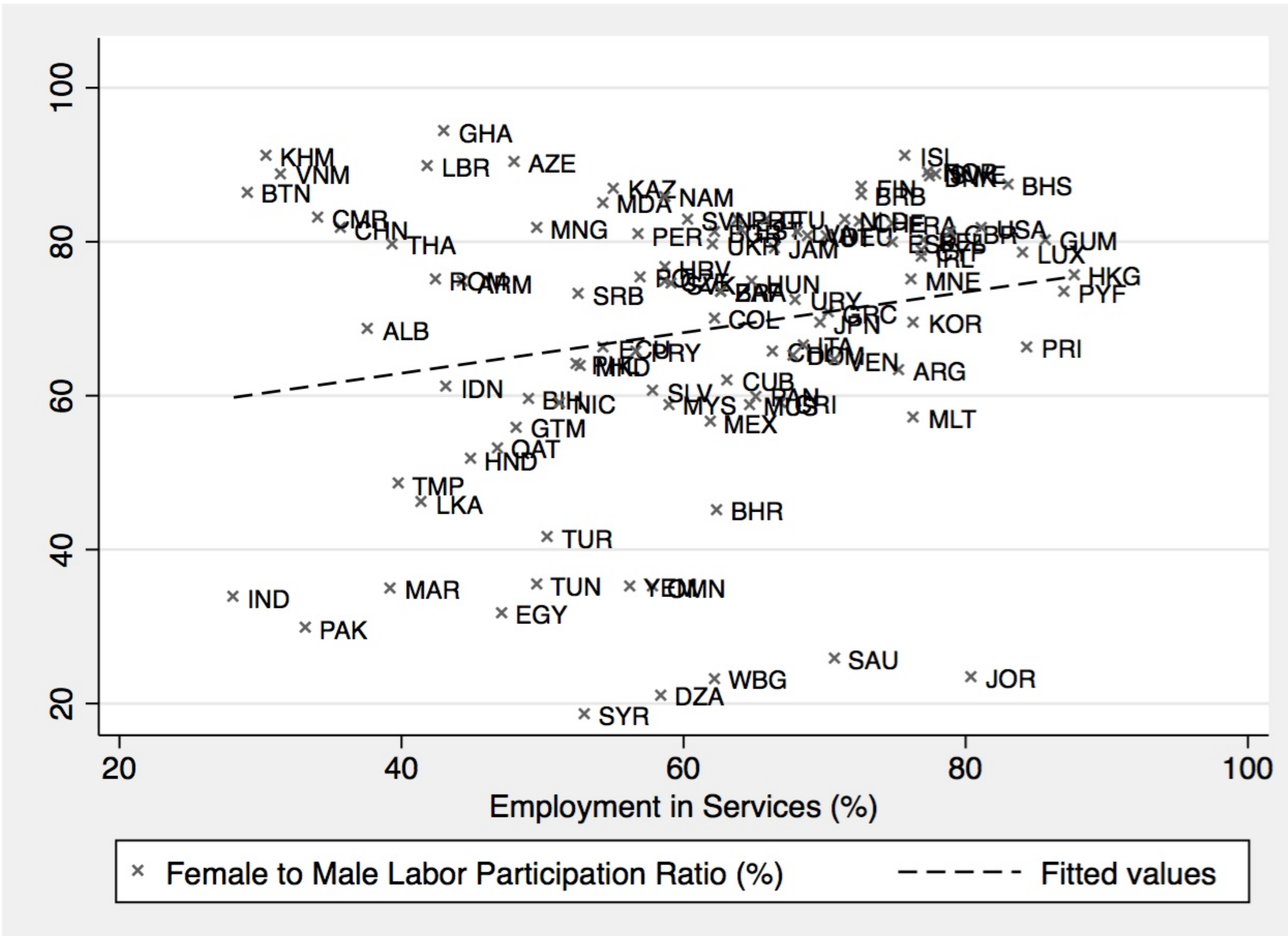
Negotiating issue	Treatment in GATT	Treatment in GATS
Modes of supply	Cross-border ; limited coverage of investment matters (TRIMs); no inherent need for factor mobility in goods trade	Inherent need for addressing factor mobility in services trade; reliance on four modes of supply: cross-border supply; consumption abroad; commercial presence; movement of natural persons
Quality of data, measurement, modelling	Comprehensive, disaggregated robust	Partial, aggregated, weak Problematic for emergency safeguard determination
National treatment	General obligation, no exceptions	A la carte in scheduled sectors and modes, subject to limitations; right to not schedule
Most-favoured nation treatment	General obligation without exception	General exception subject to one time exception upon GATS' entry into force or accession; with a weak/non-credible sunset clause
Quantitative restrictions	Prohibited; per se offense	Allowed, subject to listing in scheduled sectors and modes
Diversity	One size fits all; common rules to all sectors subject to goods disciplines	Co-existence of horizontal and sector-specific disciplines in annexes

On the rise: Services to GDP ratios

Country groupings	1990	2008	2015
Low-income countries	43.1	49.6	52.8 (22.5)
Lower-middle income countries	44.5	46.4	50.9 (14.3)
Middle-income countries	45.8	53.6	57.7 (26.0)
High-income countries	64.6	73.4	75.2 (16.4)

Source: World Bank, World Development Indicators

Services Trade and Gender

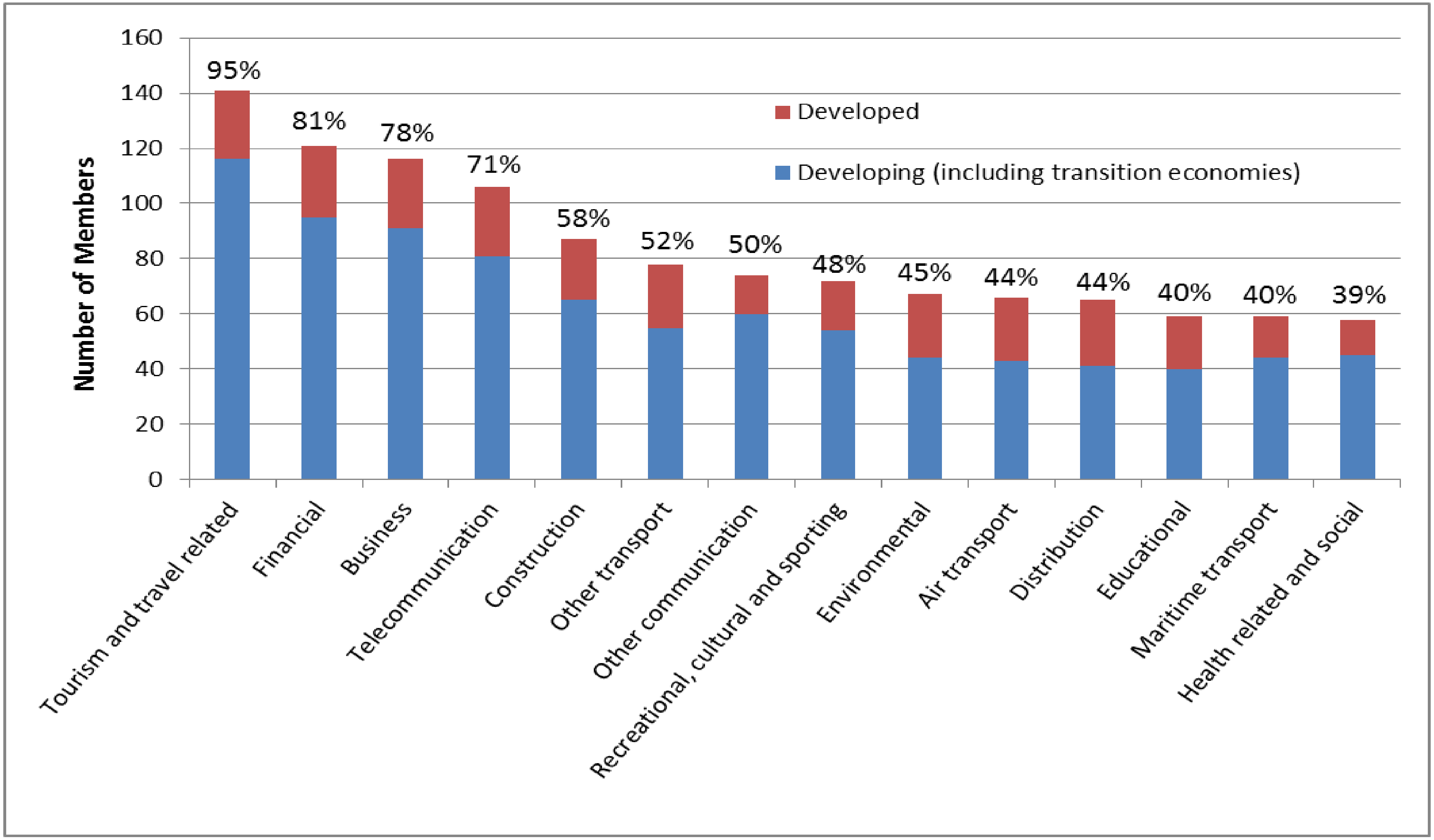


Not born equal:
Trade in Services by Modes of Supply

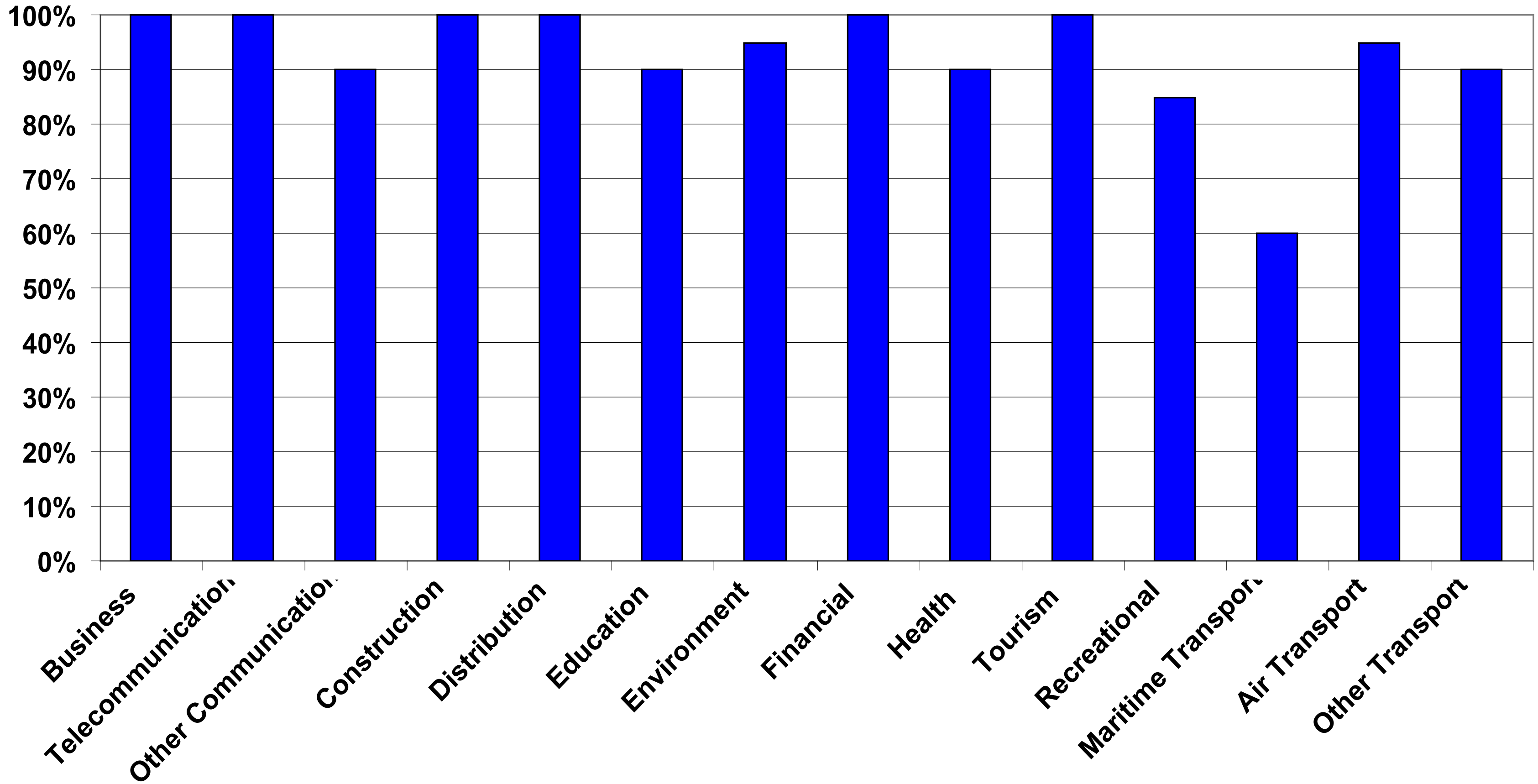
(WTO estimates)

Mode of Supply	Estimated share (%)
Mode 1: Cross-border supply	25-30
Mode 2: Consumption abroad	10-15
Mode 3: Commercial presence	55-60
Mode 4: Movement of service suppliers	≤5

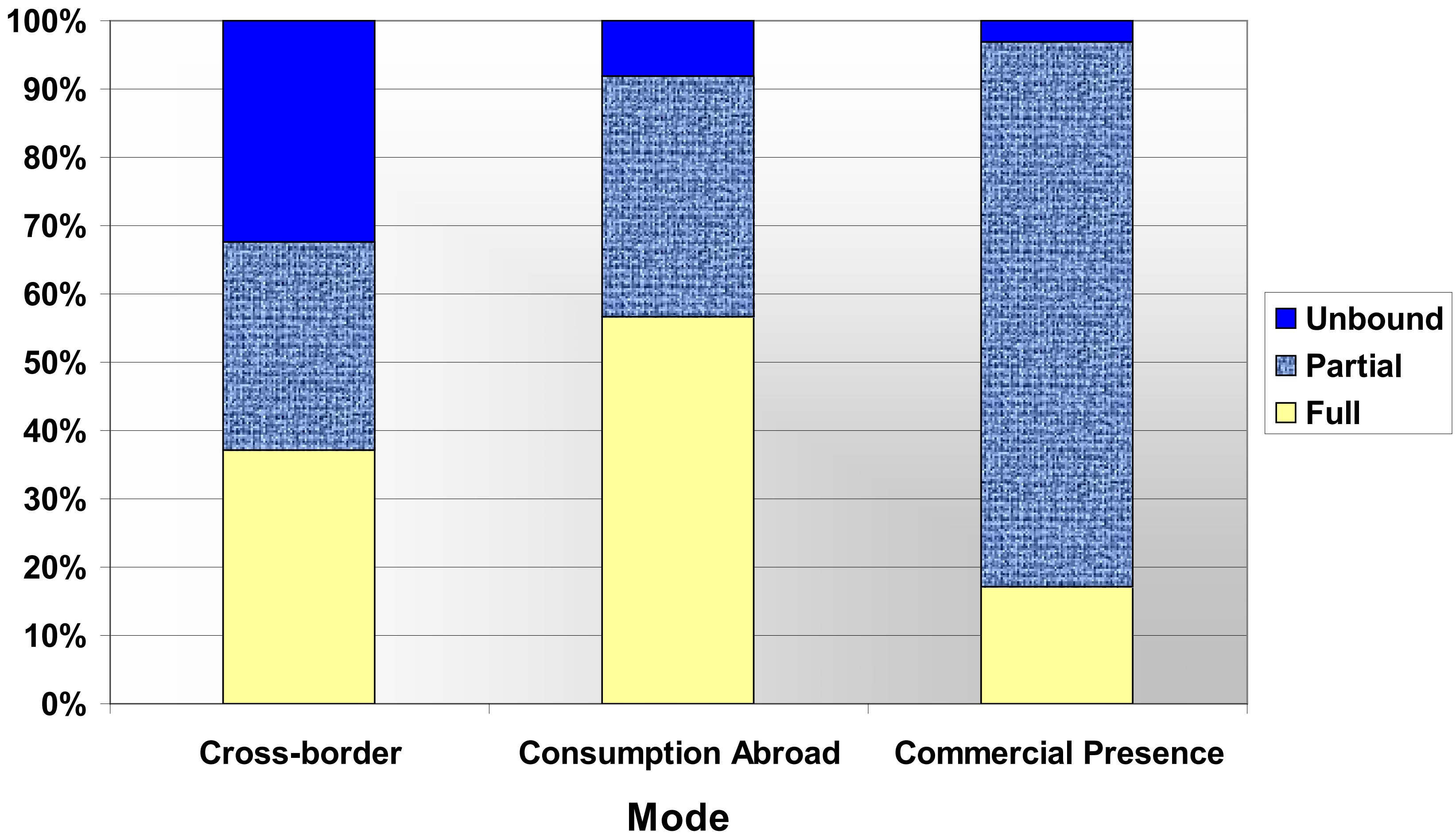
Sectoral distribution of GATS commitments (latest)

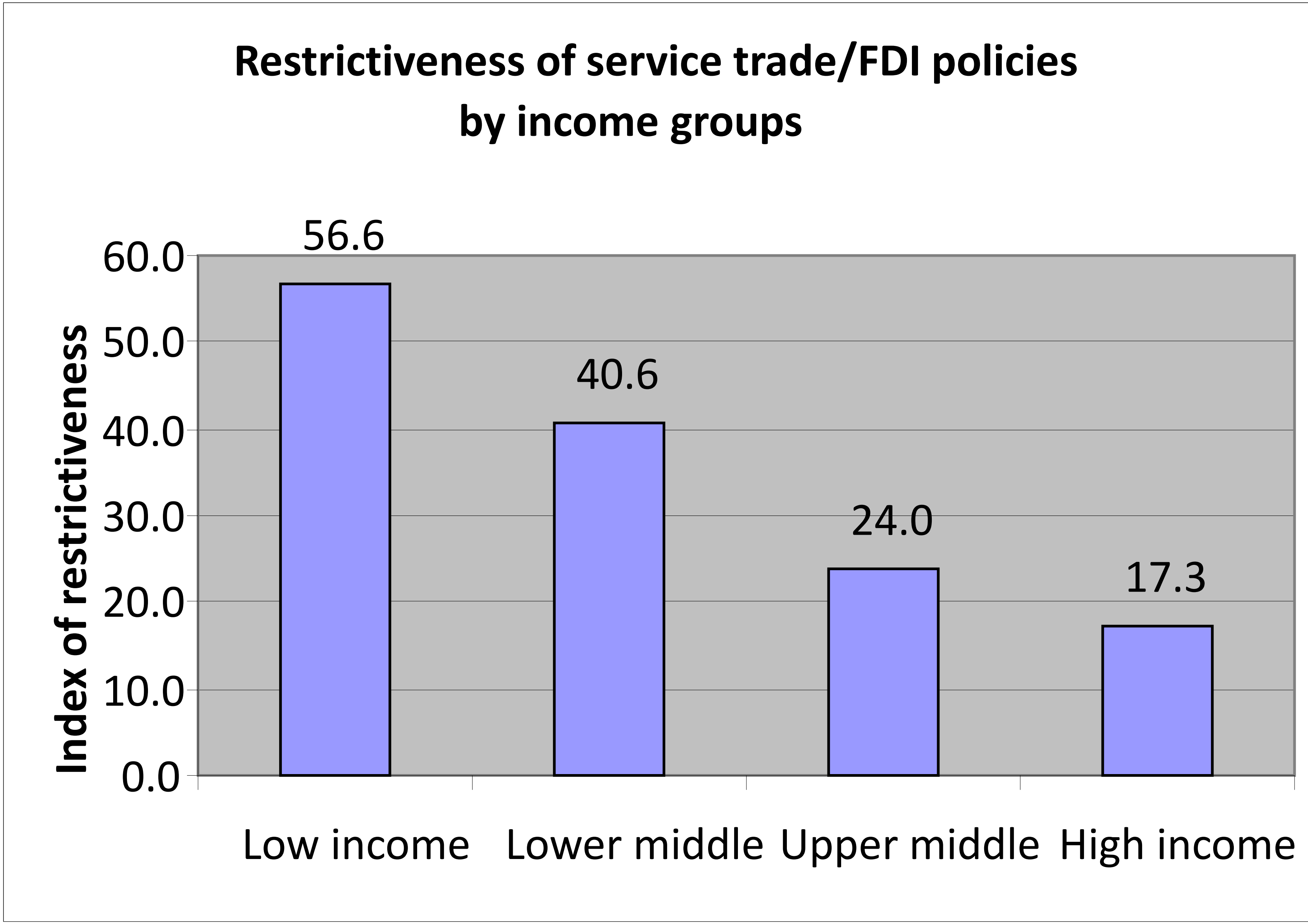


Proportion of Acceding Members with Commitments in Selected Service Sectors



Nature of GATS Market Access commitments by Mode of supply (all Members, WTO estimates)





Source: Gootiiz and Mattoo (2009)

Thank you!

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