



# Trade in services: Unlocking the policy potential of recent analytical developments

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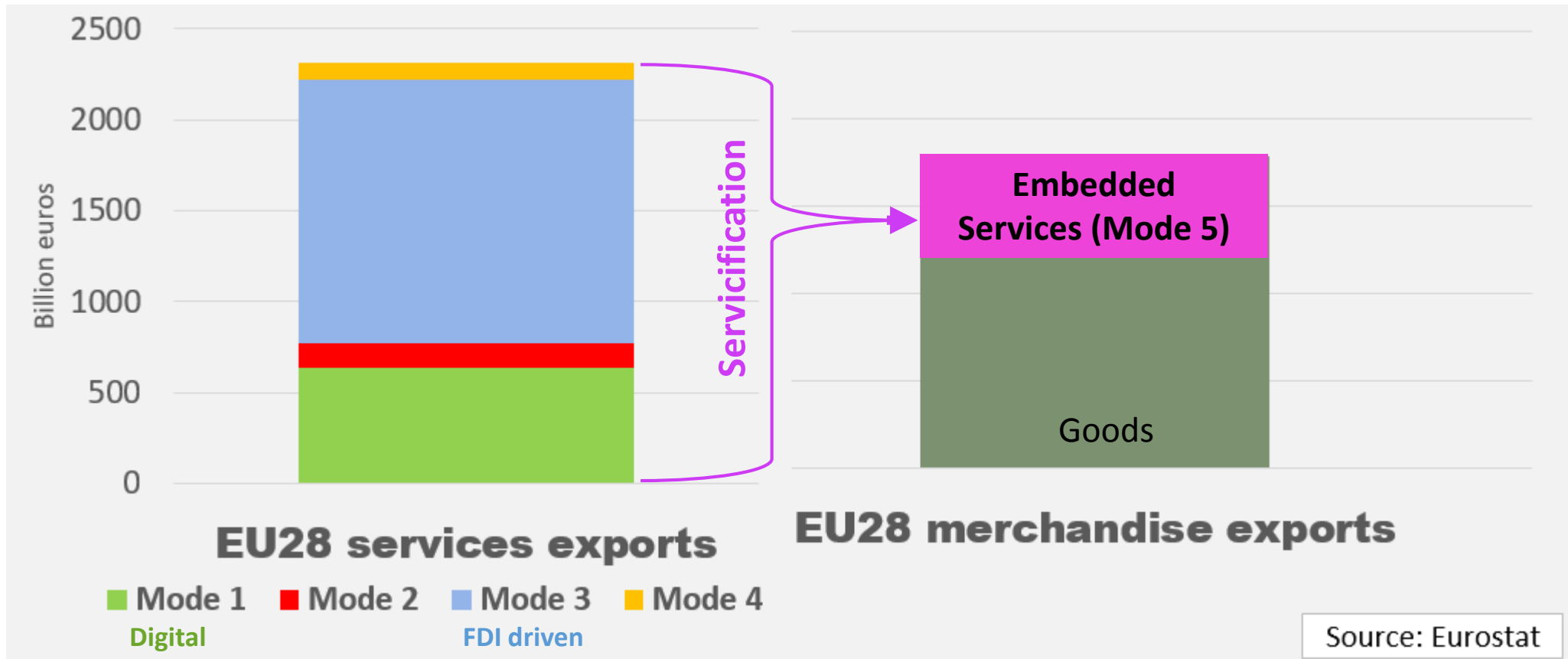
European Commission

# Quick takeaways

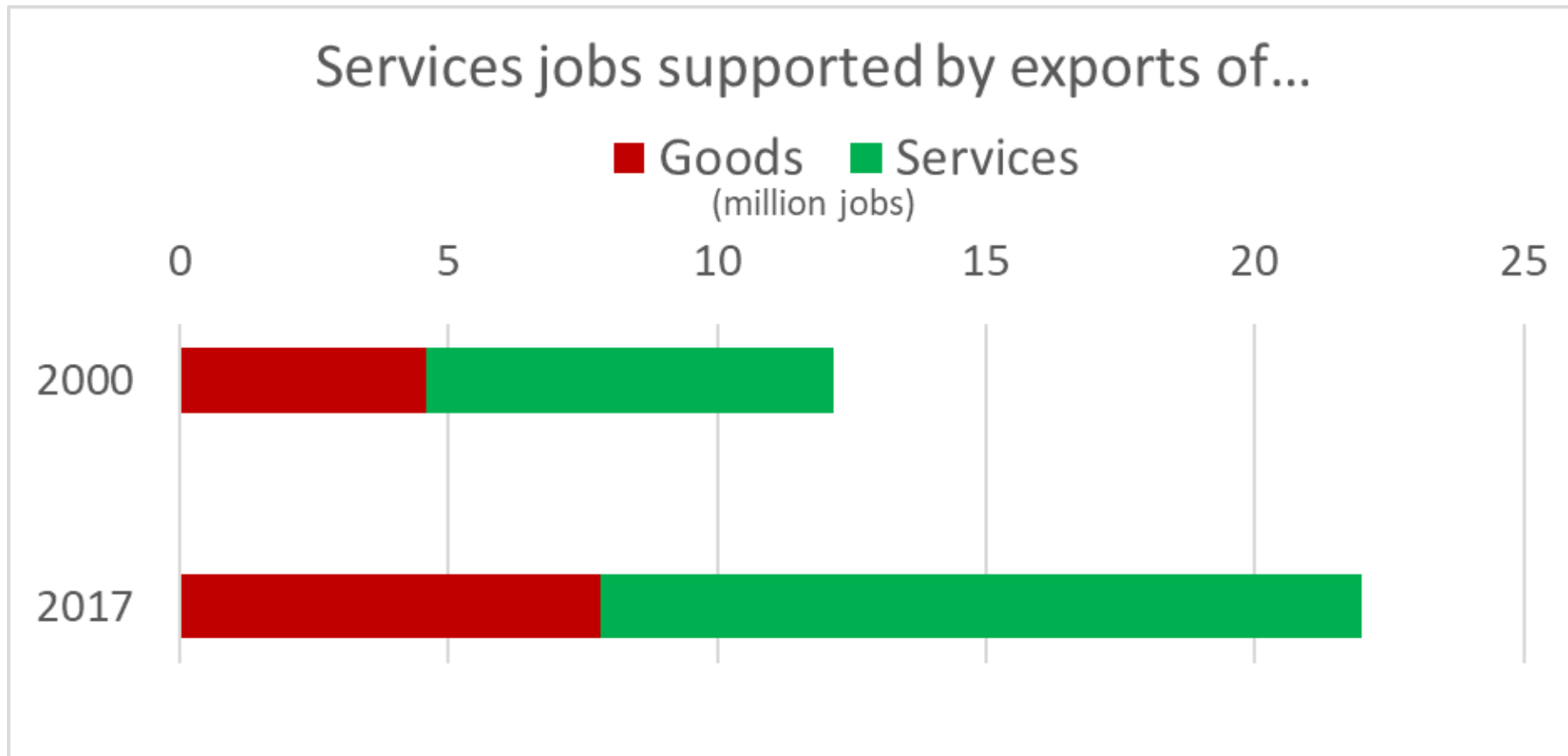
- Several initiatives are moving the analytical frontier in the services trade field:
- The role of **GATS services**, by **different modes of supply**
  - The crucial importance of **Mode 3 (FDI-driven services)**
  - The growing importance of **Mode 1 (digital services)**
- Future technological trends and the **servicification challenges**: what policy response?
  - Going beyond GATS services: the linkages between services and manufacturing competitiveness (**Mode 5 services**)

# GATS is bigger than GATT!

The value of EU services exports vs goods exports



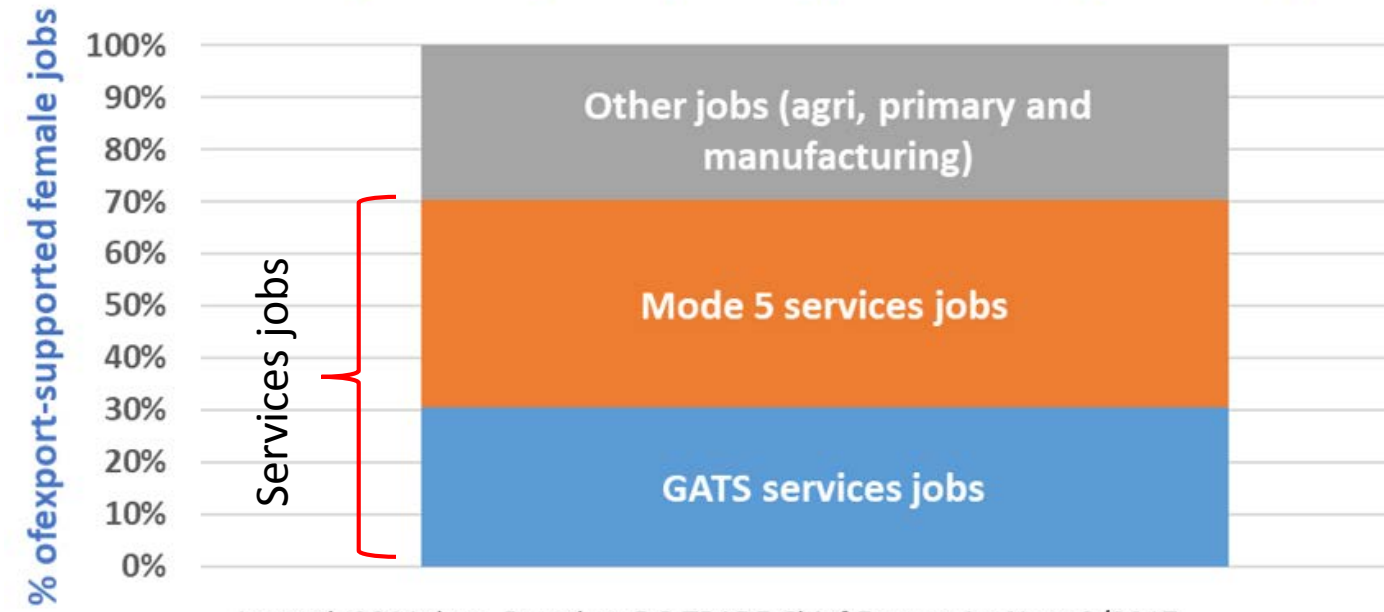
# 22 million services jobs supported by **goods** and **services** exports



# Services support 70% of trade-related jobs for women

## EU women in trade:

Services jobs are key for export-supported female jobs in Europe



Legend: 2011 data. Based on DG TRADE Chief Economist Note 3/2017.

# Industry 4.0 and Mode 5 services: how long are your embedded software?



- Every company becomes a software company
- Your product is as good as your embedded software
- Up to 40% of the value of electric cars is services and software-related!

# New analytical insights – some takeaways

- Services hold considerable development potential and will account for a growing share of global trade flows
- The servicification of manufacturing is not just an OECD phenomenon
- The sheer importance of certain modes of supplies (digital and FDI-related) require adequate policies
- Trade rules may need to evolve to keep the pace with GVCs, technology and innovation
- The GATT-GATS interface affecting technology and new services will become more important