



GSC Statement on Services Trade and Investment

October 16, 2017

The Global Services Coalition (GSC) speaks for the services sector in its members' respective countries on matters of international trade and investment and represents their industries internationally.

Promoting trade in services is critical to ensuring global and domestic economic growth as services are not only a growth engine itself, but also add value to manufacturing and agriculture. This is true in developing, emerging, and advanced economies alike. The economic force of services is being magnified by the advance of the Fourth Industrial Revolution in which data flows have surpassed trade flows and digital technology and digitally enabled services are transforming all daily lives at work and at home. And while the growth of services trade since the millennium is impressive, its full potential is yet untapped.

As our governments seek to help to provide more citizens with economic prosperity through new business opportunities and job creation, the expansion of the services sector and the boost it is giving to manufacturing and agriculture in many economies should be welcomed.

But there are significant threats to the continuation of this momentum. The global financial crisis of a decade ago continues to have damaging effects. Concerns about job growth and future economic opportunity are fuelling public discontent and raising the spectre of protectionism.

Now more than ever we need to reaffirm the benefits of open markets for services trade and investment. The case for these benefits needs to be made in the WTO, other multilateral economic and trade fora, and regional and bilateral negotiations, as well as to the wider public in all our economies.

There is a broad range of services trade and investment questions that need to be addressed. They include

new market-opening, fairness in national treatment of trade and investment, fair and transparent domestic practices, facilitation of cross border data flows and a prohibition on forced data localization for all services sectors, avoidance of forms of cyber-regulation that restrict trade unnecessarily and disproportionately, disciplines on state-owned enterprises, and fresh initiatives towards regulatory cooperation.

The closing months of 2017 offer a chance to reinforce the importance of negotiations on liberalisation of services, both plurilateral and bilateral, including consideration of the resumption of the Trade in Services Agreement (TiSA) negotiations, to find solutions to policy questions requiring internationally agreed answers. The GSC urges APEC economies in the November 2017 APEC Ministerial, and WTO members in the December 2017 Eleventh WTO Ministerial Conference, to reaffirm the critical importance of promoting services liberalization and digital trade. The regulatory and policy issues surrounding these twin issues, lie at the heart of the advance that now needs to be made if the global rules-based system is to cater for the future facilitation of trade in services.

The Global Services Coalition acknowledges that this effort will require the involvement and encouragement of business if it is to succeed. The GSC appreciates the opportunities provided by governments for consultation with services industries worldwide. We call on negotiators to provide regular information on the progress of trade negotiations affecting services, enabling us to play our part in informing and supporting them.