What’s Special About Trade in Services?

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Thing One

• four modes of service delivery
  – cross border supply
  – consumption abroad
  – movement of natural persons
  – commercial presence
Need to model ownership and location

• r/r to FDI capital? arbitrage? or rents to firm-specific assets?
• conventional data on services trade
• data on activities of offshore affiliates
• behavioural parameters
  – product differentiation at and below firm level
Thing Two
- services trade barriers

Market access  National treatment

Barriers to establishment

Barriers to ongoing operation
## Thing Two
- services trade barriers

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<th>Market access</th>
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Policy implications

- intuition from tariff debates off-course
- sectoral interests no longer as central
- incumbents vs new entrants
- second-best policy outcomes
  - sequencing of privatisation vs competition
Measuring services trade barriers

- market access
- national treatment
- domestic regulatory regimes
- heaps more measurement work required
- are restrictions rent-creating or cost-escalating?
What’s special about trade in services

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