Trade in services: Contrasting Africa, Asia, and Latin America
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The Asia-Pacific perspective

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Asia-Pacific trade recovery trends

• Services trade in 2021 remains below the pre-pandemic level.
  Global: 1%-2%. Regional: 9% (exports) 1% (imports).

• Travel services sector was the worst hit, while transport and other business services (particularly ICT and financial services) expanded.

Services trade in Asia and the Pacific

• Asia-Pacific accounts about 29% of global services trade.
• The top 10 economies contributing to services trade accounted for 86 per cent and 87 per cent of intraregional exports and imports, respectively

Sectoral breakdown

- Traditional services (Travel and transport services) usually accounted about half of total services trade. It dropped to 1/3 during the pandemic time.

A growing number of trade agreements incorporate provisions that go beyond market access and liberalization of trade in goods to cover services and investment.

*Author’s calculation using data from ESCAP’s Asia-Pacific Trade and Investment Agreement Database (APTIAD), accessed October 2021.*
Barriers to services trade often stem from domestic regulations

- According to the OECD STRI, in 2021 Asia-Pacific recorded higher restrictiveness in services trade across all sectors than in the rest of the world.

*Services trade restrictiveness index, Asia-Pacific region and Rest of the World, 2021*
For “Digital” services trade, a general trend is the increasing barriers.

### Digital services trade restrictiveness index, Asia-Pacific region and Rest of the World, Difference between 2016-2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Asia-Pacific (%)</th>
<th>Rest of the World (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic transactions</td>
<td>-14.08</td>
<td>-10.70</td>
</tr>
<tr>
<td>Infrastructure and connectivity</td>
<td>22.03</td>
<td>9.43</td>
</tr>
<tr>
<td>Intellectual property rights</td>
<td>-12.07</td>
<td>-15.19</td>
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<tr>
<td>Other barriers affecting trade in digitally enabled services</td>
<td>26.11</td>
<td>58.90</td>
</tr>
<tr>
<td>Payment system</td>
<td>12.22</td>
<td>21.74</td>
</tr>
</tbody>
</table>

Author’s calculation, based on OECD Digital Services Trade Restrictiveness Index database
Regulatory diversity is significant

Examples from digital trade regulations of RCEP countries

Source: Author’s based on ESCAP database for the Region Digital Trade Integration Index (RDTII)
Asia-Pacific Trade and Investment Trends 2021/2022

#AsiaPacific

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