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What Mode of Supply Will Matter the Most for the Future of Services Trade?

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Brussels, 12 September 2024 - In an era where political discourse often gravitates towards industrial policies and protectionist measures, [this Policy Brief](#) shifts the spotlight to the dynamic potential of services trade. Economists are increasingly excited about the prospects offered by services as the driving force behind the “new globalisation.” They argue that services present a more promising path for developing countries seeking export-led growth compared to traditional industrialisation.

The study begins with a historical overview, tracing the evolution of trade in services across centuries. This sets the stage for a deep dive into the present-day realities, where the paper leverages the most comprehensive datasets available to uncover the latest trends in global services trade by modes of supply.

Despite the current political focus, services trade has historically been overlooked in policy debates. Once deemed “non-tradables,” services have now emerged as a powerful transformative force. Over the past decade, a growing body of literature has underscored the significance of services, particularly their role in the servicification of manufacturing and their impact on globalisation.

The Policy Brief doesn't just stop at analysis; it offers a series of forward-looking recommendations. These aim to bridge the gap between various policy priorities and ensure that services trade continues to play a central role in global economic development. By aligning policy priorities with the future of globalisation, the paper envisions a more integrated and dynamic global economy.

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