

The service center
in Catalonia for the
internationalization of companies

COPCA

www.copca.com

Promotion of Services now more important than promotion of Goods?

Diego Guri, Head of the International Cooperation Division, COPCA

The 6th World Conference of Trade Promotion Organizations (TPOs)
TPOs in the Global Trade "Opportunities & Challenges"
Buenos Aires, March 13, 2007

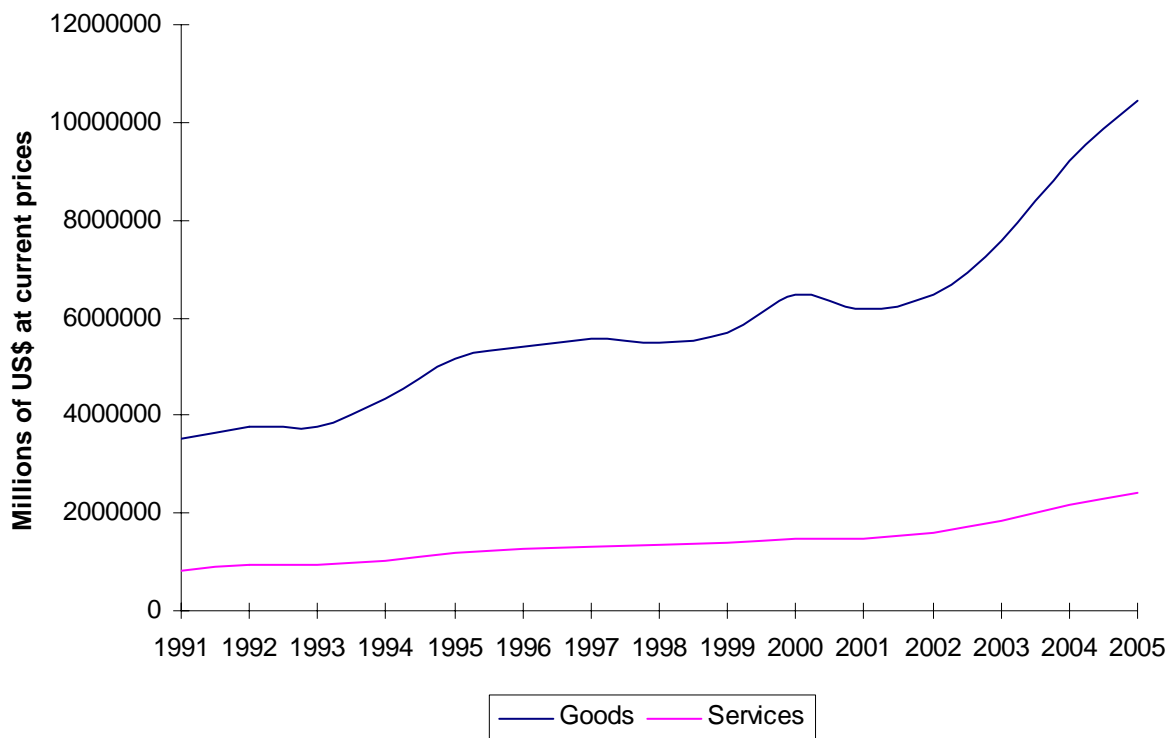


Modalities of trade in services (GATS)

- **Cross-border (movement of the service)**
- **Consumption abroad (non-residents)**
- **Commercial presence (FDI)**
- **Presence of natural persons (movement of people)**

Trade in services increase but goods do it faster

World exports of goods and services



Source: WTO

Different growth by regions

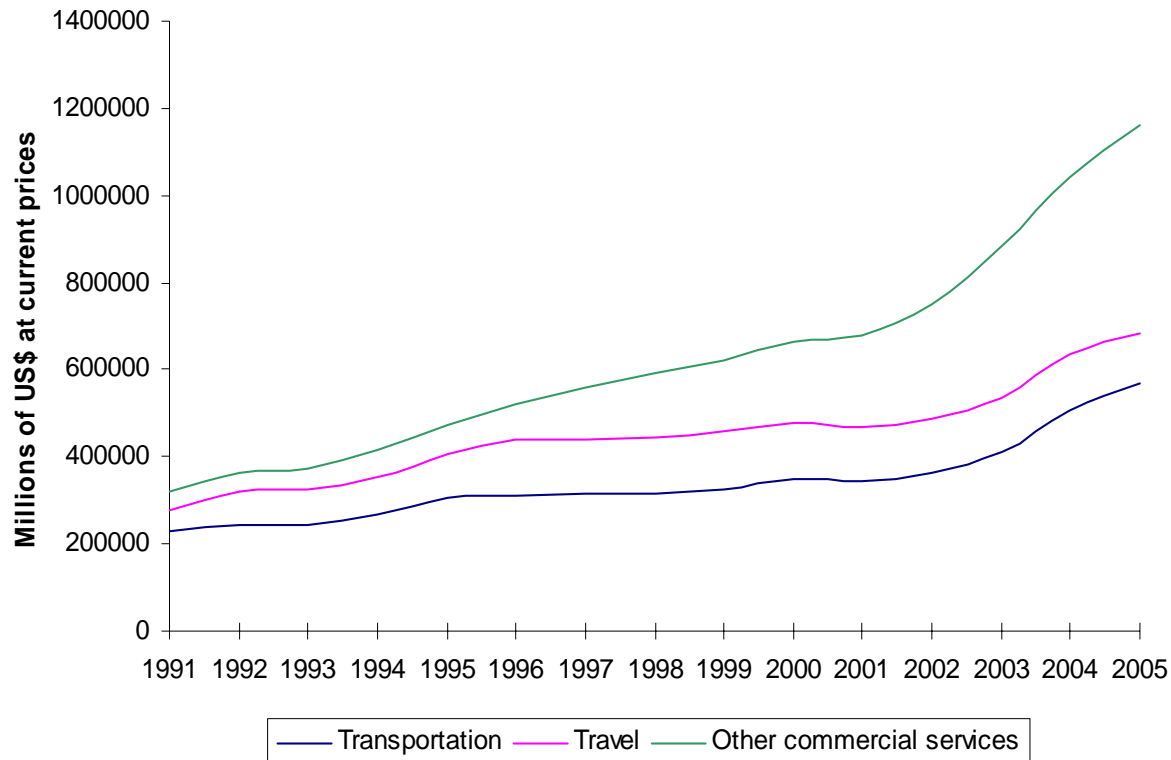
Trade in services in some regions and countries, 1990 & 2004



Source: Observatory of Foreign Markets, Annual Report 2006, COPCA

Increase of trade in added-value services

World exports of services by categories



Source: WTO

Evolution of the trade in services

- **1st. Stage: Services to the trade of goods (transport, financing, insurances,...)**
- **2nd. Stage: Services related to the people mobility (tourism, training, medical, ...)**
- **3rd. Stage: Routine labor-based services (accountancy, call-centers, ...)**
- **4rd. Stage: Knowledge-based services (design, tele-medical, R+D, cultural, ...)**

Economic benefits of exporting services

- **Foreign currency entrance**
- **Increase of competitiveness of local services: added value to the industry, FDI attraction,...**
- **Employment: importance of SME, low capital demands, ...**
- **Quality of employment: retention of talents**
- **Clean production**

Opportunities of trade in services

- **Global outsourcing and Global offshoring (FDI)**
- **Opportunities for developing countries (less than 25% of trade in services)**
- **Scale effects:**
 - **Market niches: tourism, engineering, entertainment**
 - **Intangible assets: better knowledge of processes, networks, reputation, ...**
- **Lower costs (ICTs, air transportation, ...)**
- **Size is not a limitation (e-promotion, specialized services)**

Competitiveness trends

- **Competitiveness based on knowledge, not in labor or technology**
- **Changes on consumption patterns: proximity to the consumer (ICT)**
- **Transformation of the services into creative activities or related with innovation (routine services become “commoditized”)**
- **Industrial companies are transformed into services companies (Mango, Zara, Apple, ...)**
- **“Grey hair” as an input (experience) and as an incentive for innovation (lack of labor)**
- **Labor more related with the ideas, product development or cultural products**
- **From the Knowledge economy to the Creativity economy**